



Notice of Request for Proposal

SOLICITATION NO.: RT09-002

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VENDOR: Distribution Copy

Arizona State Retirement System
3300 N. Central Avenue, Suite 1300
Phoenix, AZ 85012

Solicitation Contact Person:

Bob Wittsell, Procurement Manager

Arizona State Retirement System

E-Mail: DivestRFP@azasrs.gov

Solicitation Issue Date: June 30, 2008

Vendor Contact Name:

Company:

Address:

Phone: , **Fax:**

Email: , **Web:**

DESCRIPTION:

DIVESTMENT LEGISLATION IMPLEMENTATION RFP NO. RT09-002

PROPOSAL DUE DATE: **AUGUST 1, 2008** AT 3:00 P.M. MST

PLEASE NOTE - If this document is downloaded from the State Procurement Office (SPO) website <http://www.azspo.az.gov/> or from <http://www.azasrs.gov/web/OpenSolicitations.do> , the ASRS website, it is the responsibility of all interested in responding to this solicitation, to verify the issuance of an amendment prior to the RFP closing date. Amendments may be posted at either of the websites listed above, however it is recommended that all interested in responding to this solicitation should email the Custody Bank, Benefit Payments, and Securities Lending email address at CustodyRFP@azasrs.gov requesting to be added to the respondents list for this solicitation. In the event an amendment is issued, it will be emailed to each respondent on that list. **THIS DOCUMENT IS FORMATED AS A FORM FOR OFFEROR'S CONVENIENCE. TAB THROUGH AND COMPLETE DOCUMENT IN MS WORD, SAVING DOCUMENT AS MS WORD 93-97 FOR BEST RESULTS. If document is larger than 83 pages when downloaded and saved, contact custodyrpf@azasrs.gov prior to filling in fields within the document, for submittal alternatives.**


In accordance with A.R.S. § 41-2534, competitive sealed proposals for the materials or services specified will be received by the Arizona State Retirement System at 3300 N. Central Avenue, 13th Floor, Attn: Procurement Department, Phoenix, AZ 85012, until the time and date cited. Proposals received by the correct time and date will be opened and the name of each offeror will be publicly read.

Proposals must be in the actual possession of the Arizona State Retirement System on or prior to the time and date and at the location indicated above. **Late proposals will not be considered except as provided by the Arizona Procurement Code. Proposals submitted by facsimile, telegraphic or mailgram shall be rejected.**

Proposals must be submitted in a sealed envelope or package with the Solicitation number and the offeror's name and address clearly indicated on the envelope or package. All proposals must be completed in ink or typewritten. Additional instructions for preparing proposal are included in this notice.


Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the appropriate Procurement Agency. Requests should be made as early as possible to allow time to arrange the accommodation. A person requiring special accommodations may contact the solicitation contact person responsible for this procurement as identified above.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.

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OFFER

TO THE STATE of ARIZONA:

The Undersigned hereby offers and agrees to furnish the service in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Federal Employer ID No. _____

For Clarification of this Offer, contact: _____ Email: _____

Company Name: _____

Address: _____

Address: _____

City, State, Zip _____

Phone: _____ Fax: _____ Website: _____

Signature of Person Authorized to Sign Offer: _____ Date: _____

Printed Name: _____

CERTIFICATION

By signature in the Offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 75.5 or A.R.S. §§ 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. **The bidder certifies that the above referenced organization ☐ is/ ☐ is not a small business with less than 100 employees or has gross revenues of \$4 million or less.**
5. **The bidder certifies that the above referenced organization ☐ is/ ☐ is not a Minority or a Women based business as in accordance with Executive Order 2007-21 issued by Governor Napolitano. Check the following boxes that apply ☐ African American, ☐ Asian, ☐ Hispanic, ☐ Native American.**

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the Arizona State Retirement System.

This contract shall henceforth be referred to as Contract No. _____. The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

Arizona State Retirement System
 Awarded this _____ day of _____ 20 _____

 Procurement Officer



Scope of Work

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1. BACKGROUND

The Arizona State Retirement System (referred to as the ASRS) is responsible for the management of \$27 billion in investment assets. The ASRS has internal equity investments of approx. \$7 billion and external equity investments of approx. \$12 billion.

2. GENERAL REQUIREMENTS

The ASRS requires the services of a contractor that will facilitate implementation of a complete outsourced solution for three (3) State of Arizona divestment Bills relating to HB 2705 (Sudan), HB 2151 (Iran), and SB 1489 (Terrorism Country Divestment). The bills are incorporated into this Scope of Work by reference and attachment.

3. SPECIFIC REQUIREMENTS

On behalf of and as directed by the ASRS, the contractor shall be responsible for meeting all the requirements, deliverables, and reporting contained in each of the three (3) above mentioned Bills. This scope of work is a summary of the requirements of each of the three bills and may not stipulate all requirements contained in the bills. The contractor shall be responsible for executing all said requirements as stated in each bill, whether or not those requirements are stated specifically in this scope of work. However, if the ASRS determines that any given requirement in any of the bills is reserved for the ASRS or that the ASRS should more appropriately execute any such requirement, the ASRS reserves the right to withdraw that requirement from the contractor's obligation to perform it under this contract.

The contractor shall obtain prior written approval from the ASRS before sending any written communications to any of the parties as stipulated in the bills, including letters, lists, reports, and any other document that the contractor produces on behalf of the ASRS to meet the requirements of these bills.

A. HB2151 (Iran)

The scope of work for HB 2151 (Iran) shall include, but is not limited to identifying Scrutinized Companies (in accordance with the Bill) in which ASRS has Direct Holdings within 180 days of effective date (May 23, 2008). Before the first ASRS Board meeting after the 180 days, the contractor shall create a formal "list" of Scrutinized Companies. The contractor shall update the List of Scrutinized Companies annually (the ASRS may set a specific date).

The contractor will handle all engagement and other communications as needed. For Inactive companies, the contractor shall send a letter (notice of law and encourage companies to remain inactive). For new Active companies, the contractor shall send a letter (notice of status and warning of potential divestment) with the opportunity to clarify activities and encourage cessation within 180 days.

If the company ceases active business operations in Iran, the company may be removed from the List. If the company goes Inactive, the contractor shall send a letter (notice of law and encourage the company (s) to remain Inactive). If the company continues operations in Iran, ASRS shall be notified to start divestment. If a company goes Inactive, then resumes, the divestment schedule starts immediately as determined by the contractor.

The contractor shall compile a letter on behalf of the ASRS to be sent to investment managers (of indirect assets or direct/passive assets) asking them to provide Iran-free options.

B. HB2705 (Sudan)

The scope of work for HB 2705 (Sudan) shall include, but is not limited to identifying Scrutinized Companies (in accordance with the Bill) in which the ASRS has Direct Holdings within 180 days of effective date. Before the first ASRS Board meeting after the 180 days, the contractor shall create a formal "list" of Scrutinized Companies. The contractor shall update the List of Scrutinized Companies annually (the ASRS may set a specific date).

The contractor shall handle all engagement and other communications as needed. For Inactive companies, the contractor shall send a letter (notice of law and encourage companies to remain inactive). For new Active companies, the contractor shall send a letter (notice of status and warning of potential divestment) with the opportunity to clarify activities and encourage cessation within 180 days.



Scope of Work

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If the company ceases active business operations in Sudan, the company may be removed from the List. If the company goes Inactive, the contractor shall send a letter (notice of law and encourage the company (s) to remain Inactive). If the company continues operations in Iran, ASRS shall be notified to start divestment. If a company goes Inactive, then resumes, the divestment schedule starts immediately as determined by the contractor.

The contractor will compile a letter on behalf of the ASRS to be sent to investment managers (of indirect assets or direct/passive assets) asking them to provide Sudan-free options.

C. SB1489 (Terrorism Country Divestment)

The scope of work for SB 1489 (Terrorism Country Divestment) will include, but is not limited to assisting the ASRS in implementing a policy regarding the countries indentified as those countries currently designated by the United States Department of State as state sponsors of terrorism. The contractor will identify United States companies that are in violation of Section 6(j) of the Export Administration Act.

The contractor shall handle all engagement and other communications as needed or as directed by the ASRS. The contractor shall handle the process for communicating with the companies and appropriate Federal Officials, including the Arizona State Congressional Delegation. The contractor shall provide to said concerned parties and entities a list of companies in violation of 6(j) that require the ASRS to divest.

4. REPORTS

A. HB 2151 (Iran) Reporting Requirements

Within 30 days after the Scrutinized Company List is created, the contractor shall compile a report on behalf of the ASRS to be filed with U.S. Attorney General, Arizona State legislature, the Arizona Governor, and the State procurement office. By January 31 of each year, the contractor on behalf of the ASRS shall provide a report to file with the U.S. Attorney General, State legislature, the Governor, and the State procurement office. This report shall contain a summary of correspondence with companies, all investments divested, prohibited investments, progress in getting investment managers to create new Iran-free products, and all investment costs of divestment activities. The contractor shall submit the draft report to the ASRS by January 1 of each year.

The contractor shall be responsible for monitoring and producing a report on the costs of divestment relating to Iran bill for the ASRS Trustees as needed.

B. HB 2705 (Sudan) Reporting Requirements


Within 30 days after the Scrutinized Company List is created, the contractor shall compile a report on behalf of the ASRS to be filed with U.S. Attorney General, Arizona State legislature, the Arizona Governor, and the State procurement office. By January 31 of each year, the contractor on behalf of the ASRS shall provide a report to file with the U.S. Attorney General, State legislature, the Governor, and the State Procurement Office. This report shall include a summary of correspondence with companies, all investments divested, prohibited investments, progress in getting investment managers to create new Sudan-free products, and all investment costs of divestment activities. The contractor shall submit the draft report to the ASRS by January 1 of each year.

The contractor shall be responsible for monitoring and producing a report relating to the Sudan bill on the costs of divestment for the ASRS Trustees as needed.

C. SB 1489 (Terrorism Country Divestment)

The contractor on behalf of the ASRS shall submit the Terrorism Divestment Policy to the Arizona State legislature by January 31, 2009. The contractor shall provide a report that informs the Governor, the State legislature, DOA, State Treasurer, and the Fund Manager of divestments and reasons for divestment. The contractor shall submit the draft report to the ASRS by January 1 of each year.

The contractor shall be responsible for monitoring and producing a report on the costs of divestment relating to the terrorism country divestment for the ASRS Trustees as needed.

	<h1>Uniform Instructions to Offerors</h1>		Arizona State Retirement System 3300 N. Central Avenue, Suite 1300 Phoenix, AZ 85012
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1. Definition of Terms. As used in these Instructions, the terms listed below are defined as follows:


- A. *“Attachment”* means any item the Solicitation requires an Offeror to submit as part of the Offer.
- B. *“Contract”* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
- C. *“Contract Amendment”* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- D. *“Contractor”* means any person who has a contract with the State.
- E. *“Days”* means calendar days unless otherwise specified.
- F. *“Exhibit”* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- G. *“Gratuity”* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- H. *“Offer”* means bid, proposal or quotation.
- I. *“Offeror”* means a vendor who responds to a Solicitation.
- J. *“Procurement Officer”* means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or his or her designee.
- K. *“Solicitation”* means an Invitation for Bids (“IFB”), a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).
- L. *“Solicitation Amendment”* means a written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
- M. *“Subcontract”* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- N. *“State”* means the State of Arizona and Department or Agency of the State that executes the Contract.

2. Inquiries

- A. **Duty to Examine.** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing, and check its Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be a grounds for withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
- B. **Solicitation Contact Person.** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation, shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
- C. **Submission of Inquiries.** The Procurement Officer or the person identified in the Solicitation as the contact for inquiries may require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time.
- D. **Timeliness.** Any inquiry shall be submitted as soon as possible and at least seven days before the Offer due date and time. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
- E. **No Right to Rely on Verbal Responses.** Any inquiry that results in changes to the Solicitation shall be answered solely through a written Solicitation Amendment. An Offeror may not rely on verbal responses to its inquiries.
- F. **Solicitation Amendments.** The Solicitation shall only be modified by a Solicitation Amendment.
- G. **Pre-Offer Conference.** If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. An Offeror should raise any questions they may have about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
- H. **Persons With Disabilities.** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

3. Offer Preparation


- A. **Forms: No Facsimile or Telegraphic Offers.** An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation will be legible and contain the same information requested on the forms. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected.

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- B. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
- C. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
- D. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically referenced by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
- i) Invitation for Bids: An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
- ii) Request for Proposals: All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria as stated in the Solicitation or result in rejection of the Offer.
- E. Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
- F. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.
- G. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a material Solicitation Amendment may result in rejection of the Offer.
- H. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.
- I. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number, if applicable, in the space provided on the Offer and Acceptance Form and provide the tax rate and amount, if applicable, on the Price Sheet.
- J. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. If Arizona resident Offerors do not indicate taxes as a separate item in the Offer, the State will conclude that the price(s) offered includes all applicable taxes.
- K. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
- L. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
- i) Special Terms and Conditions;
- ii) Uniform Terms and Conditions;
- iii) Statement or Scope of Work;
- iv) Specifications;
- v) Attachments;
- vi) Exhibits;
- vii) Special Instructions to Offerors;
- viii) Uniform Instructions to Offerors.
- M. Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destination(s).

4. Submission of Offer

- A. Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation, in a sealed envelope or package that identifies its contents as an Offer and the Solicitation number to which it responds. The appropriate Solicitation number shall be plainly marked on the outside of the envelope or package.

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- B. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- C. Public Record. Under applicable law, all Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall stamp as confidential that information and submit a statement with its Offer detailing the reasons that information should not be disclosed. The State shall make a determination on whether the stamped information is confidential pursuant to the Arizona Procurement Code.
- D. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - i) It did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - ii) It does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.


5. Evaluation

- A. Unit Price Prevails. Where applicable, in the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
- B. Taxes. All applicable taxes stated in the Offer will be considered by the State when determining the lowest bid or evaluating proposals; except when an Offeror is located outside of Arizona and is not subject to a transaction privilege or use tax of a political subdivision of this State. At all times, payment of taxes and the determination of applicable taxes and rates are the sole responsibility of the Contractor.
- C. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
- D. Disqualification. The Offer of an Offeror who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall be rejected.
- E. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be ninety (90). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for ninety (90) days from the Best and Final Offer due date.
- F. Payment. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- G. Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
 - i) Waive any minor informality;
 - ii) Reject any and all Offers or portions thereof; or
 - iii) Cancel a Solicitation.

6. Award

- A. Number or Types of Awards. Where applicable, the State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, whichever is deemed most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
- B. Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
- C. Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

- 7. **Protests.** A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:
 - A. The name, address and telephone number of the protester;
 - B. The signature of the protester or its representative;

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- C. Identification of the purchasing agency and the Solicitation or Contract number;
- D. A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- E. The form of relief requested.

8. **Comments Welcome.** The State Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, Arizona State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.



Special Instructions to Offerors

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1. **Americans with Disabilities Act.** People with disabilities may request a reasonable accommodation such as a sign language interpreter by contacting the solicitation contact person responsible for this procurement as identified within this solicitation. Requests should be made as early as possible to allow time to arrange the accommodation.
2. **Purpose.** Pursuant to provisions of the Arizona Procurement Code, A.R.S. § 41-2501 et seq., the Arizona State Retirement System, intends to establish a contract for the services as listed herein.
3. **Contract Applicability.** Any contract resulting from this solicitation shall be for the exclusive use of the Arizona State Retirement System Agency designated herein.
4. **Definition.** "May" denotes the permissive, "Shall" denotes the imperative, and "Must" denotes the imperative.
5. **Discussions.** In accordance with A.R.S. Section 41-2534, after the initial receipt of proposals, the ASRS reserves the option to conduct discussions with those offerors who submit proposals determined by the ASRS to be reasonably susceptible of being selected for award.
6. **Evaluation.** The ASRS will determine responsibility of each offeror prior to evaluating proposals. Any information regarding the past performance, reliability and capability of the offeror may be considered to determine responsibility. If an offeror is determined to be non-responsible, the Arizona State Retirement System will notify the offeror of the determination and cite the reasons for the determination.

Proposals shall be evaluated in accordance with A.R.S. § 41-2534 (The Arizona Procurement Code). If an award is made, the contract will be awarded to the responsible offeror whose proposal is determined to be most advantageous to the ASRS, based on the criteria listed below. Evaluation factors are listed in their relative order of importance, starting with the most important factor and descending in value. Evaluation factors are listed below:

- A. Experience and reliability of the offeror, including the company as a whole and all key personnel.
 - i) Company Information
 - ii) Experience
 - iii) Ability to perform Scope of Work
 - B. Quality of existing client relationships and references;
 - C. Cost – Pricing to be submitted in an all inclusive basis. The State will not reimburse any item other than the all inclusive rates contained on the Pricing Schedule.
7. **Offer and Acceptance.** To allow for an adequate evaluation, the ASRS requires an offer in response to this solicitation to be valid and irrevocable for one hundred and eighty (180) days after the opening time and date.
 8. **Offeror's Contact.** All questions regarding this Request for Proposal, including technical specifications, proposal process, etc., shall be directed to the Procurement Officer as indicated on the first page of this document.

Offerors may not contact the employees of the using Agency or members of the Evaluation Committee concerning this procurement while the proposal and evaluation are in process.

9. **Proposal Format.** One (1) original, one (1) electronic copy and three (3) copies of each proposal should be submitted on the forms and in the format specified in the RFP. The original copy of the proposal should be clearly labeled "ORIGINAL." The material should be in sequence and related to the RFP. The ASRS will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal. Please do not provide any sample reports of any kind until requested by the ASRS. The proposal should include at least the following information:
10. **Proposal Submittals.** The proposal shall contain the following:
 - A. One (1) original, one (1) electronic copy in the form of a CD or DVD only, and three (3) copies of each proposal should be submitted on the forms and in the format specified in the RFP. The original copy of the proposal should be clearly labeled



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"ORIGINAL." The material should be in sequence and related to the RFP. The ASRS will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the offeror.

- B. Complete response to all items contained in the Offeror Questionnaire. Questionnaire form is attached for offerors convenience.
- C. A minimum of four (4) business references, government references are preferred. References shall be verifiable and shall be able to comment on the offeror's related experience and past performance. Offeror shall provide the name, address, phone, contact person and a brief description of the services provided for each reference. Attachment B is attached for offerors convenience.
- D. Resumes of key personnel. Resumes shall describe experience, education, certifications, licenses, and other relevant information for the program manager and other key personnel.
- E. Price Proposals – Price proposal shall be submitted on the pricing schedule or in a format substantially similar to the pricing schedule.
- F. Completed "Offer and Acceptance".
- G. One copy of each solicitation amendment, with signed acknowledgement, if any.
- H. The entire proposal should be completed in number 12 font or larger.

ALL QUESTIONS REGARDING THIS REQUEST FOR PROPOSAL SHALL BE SUBMITTED, IN WRITING, TO THE PROCUREMENT OFFICER DESIGNATED HEREIN.

11. Confidential Information

- A. If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a detailed statement advising the procurement officer of this fact shall accompany the submission and the information shall be so identified wherever it appears.
- B. The information identified by the person as confidential shall not be disclosed until the director makes a written determination.
- C. The director shall review the statement and information and shall determine in writing whether the information shall be withheld.
- D. If the director determines to disclose the information, the director shall inform the bidder in writing of such determination.

12. Proposal Opening.

Proposals shall be opened on the date and time, and at the place designated on the cover page of this document, unless amended in writing by the state agency issuing the solicitation. The name of each offeror shall be read at this time. Proposals, modifications and all other information received in response to the request for proposals shall be shown only to authorized state personnel having a legitimate interest in the evaluation. After a contract award, the proposals and evaluation documentation shall be open for public inspection.

13. Discussions.

In accordance with A.R.S. Section 41-2534, after the initial receipt of proposals, the ASRS reserves the option to conduct discussions with those offerors who submit proposals determined by the ASRS to be reasonably susceptible of being selected for award.

14. Suspension or Debarment Certification.

By signing the offer section of the Offer and Acceptance page, the offeror certifies that the firm, business or person submitting the offer has not been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any federal, state or local government. Signing the offer section without disclosing all pertinent information about a debarment or suspension shall result in rejection of the offer or cancellation of a contract. The ASRS also may exercise any other remedy available by law.

15. Suspension or Debarment Status.

If the firm, business or person submitting this offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any federal, state or local government, the offeror must include a letter with its offer setting forth the name and address of the governmental unit, the effective date of the suspension or debarment, the duration of the suspension or debarment. Failure to supply the letter or to disclose in the letter all pertinent information regarding a suspension or debarment shall result in rejection of the offer or cancellation of a contract. The ASRS also may exercise any other remedy available by law.

16. Tax Exemptions.

Federal Excise Tax: The Arizona State Retirement System is exempt from Federal Excise Tax on manufactured goods. Exemption Certificates will be prepared upon request.

- A. **State and Local Transaction Privilege Taxes:** The Arizona State Retirement System is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from his obligation to remit taxes. Offerors are required to provide



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their Arizona Transaction Privilege Tax Number, if applicable, in the space provided on the Offer and Acceptance Form and provide the tax rate and amount, if applicable, on the Pricing Schedule.

- B. Evaluation of Offers: All applicable taxes will be considered by the ASRS when determining the lowest bid or evaluating proposals; except when a responsive offeror which is otherwise reasonably susceptible for award is located outside of Arizona and is not subject to a transaction privilege or use tax of a political subdivision of this state. In that event all applicable taxes which are the obligation of offerors in-state and out-of-state, offerors shall be disregarded in the Contract Award. At all times, payment of taxes and the determination of applicable taxes and rates are the sole responsibility of the Contractor.

- 17. Federal Immigration And Nationality Act 2:** The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 18. IT 508 Compliance:** Any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. §§ 41-2531 and 2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities. Any exceptions shall be declared in writing in the offer.



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1. **Definition of Terms** - As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
 - A. *“Attachment”* means any item the Solicitation requires the Offeror to submit as part of the Offer.
 - B. *“Contract”* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments; and any terms applied by law.
 - C. *“Contract Amendment”* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
 - D. *“Contractor”* means any person who has a Contract with the State.
 - E. *“Days”* means calendar days unless otherwise specified.
 - F. *“Exhibit”* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
 - G. *“Gratuity”* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
 - H. *“Offer”* means bid, proposal or quotation.
 - I. *“Offeror”* means a vendor who responds to any type of Solicitation.
 - J. *“Procurement Officer”* means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or their designee.
 - K. *“Solicitation”* means an Invitation for Bids (IFB), a Request for Proposals (RFP), or a Request for Quotations (RFQ).
 - L. *“Solicitation Amendment”* means a written document that is authorized by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
 - M. *“Subcontract”* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
 - N. *“State”* means the State of Arizona and Department or Agency of the State that executes the Contract.
2. **Contract Interpretation**
 - A. Arizona Law. The law of Arizona applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
 - B. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
 - C. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
 - i) Special Terms and Conditions;
 - ii) Uniform Terms and Conditions;
 - iii) Statement or Scope of Work;
 - iv) Specifications;
 - v) Attachments;
 - vi) Exhibits;
 - vii) Documents referenced or included in the Solicitation.
 - D. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
 - E. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
 - F. No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document.
 - G. No Waiver. Either party’s failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.



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3. Contract Administration and Operation

- A. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other records ("records") relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- B. Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- C. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- D. Inspection and Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes for producing the materials, at reasonable times for inspection of the materials covered under this Contract. The State shall also have the right to test at its own cost the materials to be supplied under this Contract. Neither inspection at the Contractor's facilities nor testing shall constitute final acceptance of the materials. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- E. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
- F. Advertising and Promotion of Contract. The Contractor shall not advertise or publish information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- G. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- H. Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

4. Costs and Payments

- A. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- B. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all delivery and unloading at the destinations.
- C. Applicable Taxes.
 - i) Payment of Taxes by the State. The State shall pay only the rate and/or amount of taxes identified in the Offer and in any resulting Contract.
 - ii) State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the seller from its obligation to remit taxes.
 - iii) Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
 - iv) IRS W9 Form. In order to receive payment under any resulting Contract, Contractor shall have a current IRS W9 Form on file with the State of Arizona.
- D. Availability of Funds for the Next Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current fiscal year until funds are made available for performance of this Contract. The State shall make reasonable efforts to secure such funds.



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5. Contract Changes

- A. Authority. This Contract is issued under the authority of the Procurement Officer who signed this Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials directed by an unauthorized State employee or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- B. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract unless otherwise permitted by the Special Terms and Conditions.
- C. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract without the advance written approval of the Procurement Officer. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- D. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- A. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- B. General Indemnification. To the extent permitted by A.R.S. § 41-621 and § 35-154, the State of Arizona shall be indemnified and held harmless by the Contractor for its vicarious liability as a result of entering into this Contract. Each party to this Contract is responsible for its own negligence.
- C. Indemnification - Patent and Copyright. To the extent permitted by A.R.S. § 41-621 and § 35-154, the Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph.
- D. Force Majeure.
 - i) Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
 - ii) Force Majeure shall not include the following occurrences:
 - a) Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
 - b) Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
 - c) Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
 - iii) If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
 - iv) Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.



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E. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

- A. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens.
- B. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
- Of a quality to pass without objection in the trade under the Contract description;
 - Fit for the intended purposes for which the materials are used;
 - Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
 - Adequately contained, packaged and marked as the Contract may require; and
 - Conform to the written promises or affirmations of fact made by the Contractor.
- C. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- D. Inspection/Testing. The warranties set forth in subparagraphs A through C of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- E. Year 2000.
- Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of force majeure shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
 - Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of force majeure shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
- F. Exclusions. Except as otherwise set forth in this Contract, there are no express or implied warranties of merchantability or fitness.
- G. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- H. Survival of Rights and Obligations after Contract Expiration or Termination.
- Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
 - Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

- A. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written



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assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions.

B. Stop Work Order.

- i) The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for a period of ninety (90) Days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- ii) If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

C. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

D. Nonconforming Tender. Materials supplied under this Contract shall fully comply with the Contract. The delivery of materials or a portion of the materials in an installment that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

E. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

A. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

B. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

C. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.

D. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

E. Termination for Default.

- i) In addition to the rights reserved in the Uniform Terms and Conditions, the State reserves the right to terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- ii) Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.



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iii) The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

F. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. **Contract Claims.** All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.
11. **Comments Welcome.** The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Phoenix, Arizona, 85007.



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1. Amendments

Any change in the contract including the Scope of Work described herein, whether by modification or supplementation, must be accomplished by a formal contract amendment signed and approved by and between the duly authorized representatives of the Contractor and the ASRS. Any such amendment shall specify an effective date, any increases or decreases in the amount of the Contractors' compensation if applicable and entitled as an "Amendment," and signed by the parties identified in the preceding sentence. The Contractor expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment or modification or supplementation to the contract.

2. Confidentiality of Records

The contractor shall establish and maintain procedures and controls that are acceptable to the state for the purpose of assuring that no information contained in its records or obtained from the state or from others carrying out its functions under the contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information shall be referred to the state. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the state.

3. Contract

A. The contract between the Arizona State Retirement System and the contractor shall consist of the Request for Proposal (RFP) and any amendments thereto, and the proposal submitted by the contractor in response to the RFP. In the event of a conflict in language between the two documents referenced above, the provisions and requirements set forth and/or referenced in the RFP shall govern. However, the State reserves the right to clarify any contractual relationship in writing and such written clarification shall govern in case of conflict with the applicable requirements stated in the RFP or the contractor's proposal. In all other matters not affected by the written clarification, if any, the RFP shall govern.

B. The contract shall be construed according to the laws of the State of Arizona. The Arizona State Retirement System is not obligated for the expenditures under the contract until funds have been encumbered.

C. Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the ASRS.

4. Disputes

The contract is not subject to arbitration. The ASRS and the contractor shall meet to discuss and attempt to resolve any dispute. However, should the dispute go unresolved to the satisfaction of both parties, the contractor shall have the right to pursue the Arizona Procurement Code/Administrative Appeal Process for claims, prior to an appeal to the judicial system.

5. Availability of Funds for the Next Fiscal Year


Funds are not presently available for performance under this contract beyond the current fiscal year. The State's obligation for performance of this contract beyond this fiscal year is contingent upon the availability of funds from which payment for contract purposes can be made. No legal liability on the part of the State for any payment may arise for performance under this contract beyond the current fiscal year until funds are made available for performance of this contract.

6. Estimated Usage

The contract shall be on an as-needed, if needed basis. The ASRS makes no guarantee as to the amount of usage that may occur under a resultant contract.

7. Key Personnel

It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions.

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Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of the issuing agency and a copy to the procurement office of record.

8. Licenses

Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.

9. Contract Term

The Contract shall be for a term of one (1) year, renewable at the sole discretion of the Board for additional periods up to a total of four (4) additional years.

10. Contract Renewal

The Contractor acknowledges that the Board is procuring the Contractor's services for the primary benefit of the participants. As a consequence, following the expiration of the one-year term of the Contract, any renewal shall be at the sole discretion of the Board based upon its discretionary determination of whether renewal is in the best interests of the participants. The Contractor is cautioned that it shall have no expectation of contract renewal beyond the expiration of the initial one-year term, and is further cautioned to place no reliance upon what it considers to be any practice or history of contract renewal by the ASRS. The Contractor acknowledges that the Board's satisfaction with the following will be among the factors considered in the determination of a renewal and length of renewal of the Contract:

- A. The Contractor's performance based upon the Performance Measures;
- B. The Contractor's diligent implementation of its Business Plan;
- C. The Contractor's cooperation in and accomplishment of revisions satisfactory to the Board to its Business Plan if goals are not met;
- D. The Contractor's compliance with the Strategic Plan; and
- E. The Contractor's compliance with all other duties under the Contract.

11. Contract Cancellation (10 day)

The ASRS reserves the right to cancel the whole or any part of this contract due to failure by the contractor to carry out any material obligation, term or condition of the contract. The ASRS shall issue written notice to the contractor for acting or failing to act as in any of the following:

The contractor provides services or personnel that do not meet the specifications of the contract;


The contractor fails to adequately perform the services set forth in the specifications of the contract;

The contractor fails to complete the work required or furnish the services required within the time stipulated by the contract;

The contractor fails to make progress in the performance of the contract and/or gives the ASRS reason to believe that the contractor will not or cannot perform to the requirements of the contract.

Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the ASRS. Failure on the part of the contractor to adequately address all issues of concern may result in the ASRS resorting to any single or combinations of the following remedies.

- A. Cancel any contract;

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- B. Reserve all rights or claims to damage for breach of any covenant of the contract;
- C. Perform any test, audit or analysis for compliance with the specifications of the contract. If the result of any test confirms a material no-compliance with the specifications, any reasonable expense of testing shall be borne by the contractor;
- D. In case of default, the ASRS reserves the right to purchase services, or to complete the required work in accordance with the Arizona Procurement Code. The ASRS may recover reasonable excess costs from the contractor.

12. Contract Cancellation (Immediate)

This contract is critical to the Arizona State Retirement System and the ASRS reserves the right to immediately cancel the whole or any part of this contract due to failure of the contractor to carry out any material obligation, term or condition of the contract. The ASRS shall issue a written notice of default effective at once and not deferred by any interval of time. Default shall be for acting or failing to act in any of the following:

- A. The contractor commits a material breach of the contract;
- B. The contractor or key personnel are indicted for or suspected of a violation of the law;
- C. In the opinion of the ASRS, the Contractor is unable to perform the contract.

The ASRS may resort to any single or combination of the following remedies:


- A. Cancel any contract;
- B. Reserve all rights or claims to damage for breach of any covenants of the contract;
- C. In case of default, the ASRS reserves the right to purchase services or to complete the required work in accordance with the Arizona Procurement Code. The ASRS may recover reasonable excess costs from the contractor by:
 - i) Deduction from an unpaid balance;
 - ii) Collection against the bid and/or performance bond; or
 - iii) Any combinations of the above or any other remedies as provided by law.

13. Termination for Cause

This Contract may be terminated by any party for breach of any of the duties or obligations of the parties imposed by this Contract, or any provisions incorporated herein, any rules of the Board or any State or Federal law or regulation of defined contribution plans or the sale of securities or insurance. The failure of the Board to terminate this Contract for cause shall not be deemed a waiver of its right to do so nor shall it be construed as sanctioning the conduct in question. In the event of termination for cause any failure of the Board to have acted upon prior breaches by the Contractor may also be relied upon as though no time lapse or failure to act had occurred. In the event of termination for cause, the Contractor agrees to provide an audit of the Plans by an independent certified public accountant approved by the ASRS.

14. Performance of Contract Following Termination or Expiration

In the event the Contract expires or is terminated for any reason or cause, the Contractor agrees to continue performance of its duties, if so requested, by the Board as though no expiration or termination had occurred for a period not to exceed six months from

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the first day of the month following termination. In such event, the Contractor shall continue to receive the compensation set forth in this Contract.

15. Duties Upon Expiration or Termination

In the event the Contract expires or is terminated for any reason or cause, the Contractor also agrees to transfer promptly all monies, and all records and documents relative to the Plan in hard copy and in magnetic tape form or other form as specified by the ASRS, to the ASRS or its designees, as well as such access to its computer files and records relating to the Plan as may be needed by the ASRS or its designees to obtain such historical and accounting data as is needed to assure the accuracy of its records. This access shall be allowed for a period of twelve months after expiration or termination of the Contractor's duties under the Contract.

16. Non-Exclusive Contract

Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the Arizona State Retirement System. The ASRS reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization (SPO form 150) may only be approved by the Arizona State Retirement System. Approval shall be at the exclusive discretion of the Arizona State Retirement System and shall be final. However, approval shall be granted only after a proper review and when deemed to be appropriate. Off-contract procurement shall be consistent with the Arizona State Retirement System policies.

17. Notices

All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provision collectively called "NOTICES"), shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party or parties to receive such notice as follows:

A. If intended for the ASRS, To:

Arizona State Retirement System
Mr. Bob Wittsell
3300 N Central Ave., Suite #1300
Phoenix, AZ 85012


B. If intended for the contractor, To:

Name:
Company:
Address:
Address:
City, State, Zip:

Or to such other address as either party may from time to time furnish in writing to the other by notice hereunder. Any notice so mailed shall be deemed to have been given as of the date such notice is received as shown on the return receipt. Furthermore, such notice may be given by delivering personally such notice. If intended for the ASRS Purchasing Administrator and, if intended for the contractor, to the person named in the offer of this contract (SPO form 203), or to such other person as either party may from time to time furnish in writing to the other by notice hereunder. Any notice so delivered shall be deemed to have been given as of the date such notice is personally delivered to the other party.

18. Inclusive Offerors

Offeror(s) are encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprise. This could include subcontracts for percentage of the goods and services provided to the ASRS. Offerors who are committing a portion of their work to such subcontractors shall do so by identifying the type of services and work to be performed by providing detail concerning your organization's utilization of small, women-owned and/or minority business enterprises. Emphasis

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should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.

19. Federal Immigration And Nationality Act 2

The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

20. IT 508 Compliance

Any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. §§ 41-2531 and 2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities. Any exceptions shall be declared in writing in the offer.

21. Offshore Performance of Work

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.

22. Indemnification Clause


Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

23. Insurance Requirements

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to

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protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

i) **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

- a) The policy shall be endorsed to include the following additional insured language: “The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”
- b) Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

ii) **Automobile Liability**


Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000
- a) The policy shall be endorsed to include the following additional insured language: “The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor”.

iii) **Worker's Compensation and Employers' Liability**

- Workers' Compensation Statutory
- Employers' Liability
- Each Accident \$ 500,000
- Disease – Each Employee \$ 500,000
- Disease – Policy Limit \$1,000,000

- a) Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b) This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

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iv) **Professional Liability (Errors and Omissions Liability)**

Each Claim \$1,000,000

Annual Aggregate \$2,000,000

- a) In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b) The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

- i) The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- ii) The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- iii) Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the Procurement Officer listed on the first page of this contract and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Procurement Officer listed on the first page of this contract. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**



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- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.



Pricing Schedule

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The offeror shall provide a price on all services listed below. Any offer shall include a firm, fixed, guaranteed, not to exceed price.

1. HB2151: \$_____ Per Year

2. HB2705: \$_____ Per Year

3. SB1489: \$_____ Per Year

Please propose a payment schedule for each of the bills.

In the event the ASRS exercised its option to renew the contract for additional periods pursuant to the applicable provisions in Part Three of this document, the offeror shall provide the maximum percentages of increase for each renewal period in the spaces below. The offeror is cautioned that the percentages shall be computed against the ORIGINAL contract price for each renewal period. If the following blanks are not completed, prices during renewal periods shall be the same as during the original. Further, the offeror is advised that the State of Arizona does not automatically grant any increase at the time of renewing the contract and that if an increase is requested, documentation of need must be provided at the time of renewal.

Renewal Period	Maximum % Increase
1 st Renewal Period	
2 nd Renewal Period	
3 rd Renewal Period	
4 th Renewal Period	

Authorized Signature

Date



Questionnaire

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1. Provide a brief history of the firm including:

- Year of organization _____
- Year of initiation of proposed business(es) _____
- Development of major business lines _____
- Nature of firm's ownership _____
- Nature of relationships with affiliated _____

2. How long has your firm been assisting clients with implementing divestment policies?

3. How many dedicated staff/analysts will be assigned to the ASRS?

4. Describe how your firm collects, gathers and analyzes data for divestment policies.

5. If a third party provides systems and/or analytical support, provide the name and address of the firm, and length of relationship.

6. What kind of experience does your firm have in providing a complete outsourced solution to handling divestment legislation?

7. What other public funds has your firm provided research services for divestment legislation?

8. What kind of ad-hoc reports has your firm provided to clients relating to divestment research?

9. Has your firm provided reports on the cost of divestment to clients? If so, how was the information obtained?



Attachment A

Offeror's Experience

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INFORMATION TO BE PROVIDED FOR REFERENCES

WITH COMPARABLE EXPERIENCE

1. Contract Title (if applicable): _____

2. Contract Period: From _____ To _____

3. Geographic Area Served: _____

4. Scope of Work:

5. Reference:
Company: _____

Individual/Title: _____

City: _____ State: _____

Telephone: _____

Email Address: _____

Website Address: _____



Attachment A

Offeror's Experience

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INFORMATION TO BE PROVIDED FOR REFERENCES

WITH COMPARABLE EXPERIENCE

1. Contract Title (if applicable): _____

2. Contract Period: From _____ To _____

3. Geographic Area Served: _____

4. Scope of Work:

5. Reference:

Company: _____

Individual/Title: _____

City: _____ State: _____

Telephone: _____

Email Address: _____

Website Address: _____



Attachment A

Offeror's Experience

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INFORMATION TO BE PROVIDED FOR REFERENCES

WITH SIMILAR EXPERIENCE

1. Contract Title (if applicable): _____

2. Contract Period: From _____ To _____

3. Geographic Area Served: _____

4. Scope of Work:

5. Reference:

Company: _____

Individual/Title: _____

City: _____ State: _____

Telephone: _____

Email Address: _____

Website Address: _____



Attachment A Offeror's Experience

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INFORMATION TO BE PROVIDED FOR REFERENCES

WITH SIMILAR EXPERIENCE

1. Contract Title (if applicable): _____

2. Contract Period: From _____ To _____

3. Geographic Area Served: _____

4. Scope of Work:

5. Reference:

Company: _____


Individual/Title: _____

City: _____ State: _____

Telephone: _____

Email Address: _____

Website Address: _____

	Attachment B - Narrative		Arizona State Retirement System 3300 N. Central Avenue, Suite 1300 Phoenix, AZ 85012
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NARRATIVE

Offerors should include any additional information in the section below:

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Exhibit A

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House Engrossed

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HOUSE BILL 2151

AN ACT

AMENDING TITLE 35, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE
7; MAKING AN APPROPRIATION; RELATING TO INVESTMENT BY PUBLIC FUNDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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H.B. 2151

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 35, chapter 2, Arizona Revised Statutes, is amended
3 by adding article 7, to read:

ARTICLE 7. IRAN INVESTMENTS

5 35-391. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "ACTIVE BUSINESS OPERATIONS" MEANS ALL BUSINESS OPERATIONS THAT ARE
8 NOT INACTIVE BUSINESS OPERATIONS.

9 2. "BUSINESS OPERATIONS" MEANS INVESTING, WITH ACTUAL KNOWLEDGE ON OR
10 AFTER AUGUST 5, 1996, IN IRAN'S PETROLEUM SECTOR WHICH DIRECTLY AND
11 SIGNIFICANTLY CONTRIBUTES TO THE ENHANCEMENT OF IRAN'S ABILITY TO DEVELOP THE
12 PETROLEUM RESOURCES OF IRAN. THE RETAIL SALE OF GASOLINE AND RELATED
13 CONSUMER PRODUCTS IS NOT CONSIDERED TO DIRECTLY OR SIGNIFICANTLY CONTRIBUTE
14 TO THE ENHANCEMENT OF IRAN'S ABILITY TO DEVELOP PETROLEUM RESOURCES.

15 3. "COMPANY" MEANS ANY SOLE PROPRIETORSHIP, ORGANIZATION, ASSOCIATION,
16 CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP, LIMITED
17 LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY OR BUSINESS
18 ASSOCIATION, INCLUDING ALL WHOLLY-OWNED SUBSIDIARIES, MAJORITY-OWNED
19 SUBSIDIARIES OR PARENT COMPANIES OR AFFILIATES OF SUCH ENTITIES OR BUSINESS
20 ASSOCIATIONS, THAT EXISTS FOR THE PURPOSE OF MAKING A PROFIT.

21 4. "DIRECT HOLDINGS" MEANS ALL PUBLICLY TRADED EQUITY SECURITIES OF A
22 COMPANY THAT ARE HELD DIRECTLY BY THE PUBLIC FUND OR IN AN ACCOUNT OR FUND IN
23 WHICH THE PUBLIC FUND OWNS ALL SHARES OR INTERESTS.

24 5. "GOVERNMENT OF IRAN" MEANS THE GOVERNMENT OF IRAN AND ITS
25 INSTRUMENTALITIES AND COMPANIES OWNED OR CONTROLLED BY THE GOVERNMENT OF
26 IRAN.

27 6. "INACTIVE BUSINESS OPERATIONS" MEANS THE CONTINUED HOLDING OR
28 RENEWAL OF RIGHTS TO PROPERTY PREVIOUSLY OPERATED FOR THE PURPOSE OF
29 GENERATING REVENUES BUT NOT PRESENTLY DEPLOYED FOR SUCH A PURPOSE.

30 7. "INDIRECT HOLDINGS" MEANS ALL INVESTMENTS HELD IN AN ACCOUNT OR
31 FUND, INCLUDING A MUTUAL FUND, A REAL ESTATE FUND, A PRIVATE EQUITY FUND OR A
32 COMMINGLED FUND, MANAGED BY ONE OR MORE PERSONS WHO ARE NOT EMPLOYED BY THE
33 PUBLIC FUND, IN WHICH THE PUBLIC FUND OWNS SHARES OR INTERESTS TOGETHER WITH
34 OTHER INVESTORS WHO ARE NOT SUBJECT TO THIS ARTICLE.

35 8. "IRAN" MEANS THE ISLAMIC REPUBLIC OF IRAN.

36 9. "LIST" MEANS THE SCRUTINIZED COMPANIES WITH ACTIVITIES IN THE IRAN
37 PETROLEUM ENERGY SECTOR LIST THAT IS PRESCRIBED BY THIS ARTICLE.

38 10. "PETROLEUM RESOURCES" MEANS PETROLEUM OR NATURAL GAS.



Exhibit A

Arizona State Retirement System

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11. "PUBLIC FUND" MEANS THE ARIZONA STATE RETIREMENT SYSTEM ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 2, THE ELECTED OFFICIALS' RETIREMENT PLAN ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 3, THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 4, THE CORRECTIONS OFFICER RETIREMENT PLAN ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 6 OR THE STATE TREASURER INVESTMENTS AUTHORIZED BY SECTION 35-314.02.

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12. "SCRUTINIZED" MEANS ANY ACTIVE BUSINESS OPERATIONS, IF THOSE BUSINESS OPERATIONS ARE SUBJECT TO SANCTIONS UNDER PUBLIC LAW 104-172, THE IRAN SANCTIONS ACT OF 1996, AND INVOLVE INVESTMENTS OF A MATERIAL PORTION OF THE COMPANY'S REVENUES OR ASSETS AND THE COMPANY HAS FAILED TO TAKE SUBSTANTIAL ACTION SPECIFIC TO IRAN. THE PUBLIC FUND HAS SOLE DISCRETION TO DETERMINE WHAT IS A MATERIAL PORTION OF REVENUES OR ASSETS.

13. "SUBSTANTIAL ACTION SPECIFIC TO IRAN" MEANS ADOPTING, PUBLICIZING AND IMPLEMENTING A FORMAL PLAN TO CEASE SCRUTINIZED BUSINESS OPERATIONS WITHIN ONE YEAR AND TO REFRAIN FROM ANY SUCH NEW BUSINESS OPERATIONS.

35-392. Identification of scrutinized companies

A. WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE EFFECTIVE DATE OF THIS ARTICLE, THE PUBLIC FUND SHALL MAKE REASONABLE EFFORTS TO IDENTIFY ALL SCRUTINIZED COMPANIES IN WHICH THE PUBLIC FUND HAS DIRECT HOLDINGS. SUCH EFFORTS SHALL INCLUDE REVIEWING AND RELYING, AS APPROPRIATE IN THE PUBLIC FUND'S JUDGMENT, ON PUBLICLY AVAILABLE INFORMATION REGARDING COMPANIES WITH BUSINESS OPERATIONS IN IRAN, INCLUDING INFORMATION PROVIDED BY NONPROFIT ORGANIZATIONS, RESEARCH FIRMS, INTERNATIONAL ORGANIZATIONS AND GOVERNMENT ENTITIES.

B. BEFORE THE FIRST MEETING OF THE PUBLIC FUND'S GOVERNING BODY FOLLOWING THE ONE HUNDRED EIGHTY DAY PERIOD PRESCRIBED IN SUBSECTION A, THE PUBLIC FUND SHALL ASSEMBLE ALL IDENTIFIED SCRUTINIZED COMPANIES INTO A SCRUTINIZED COMPANIES WITH ACTIVITIES IN THE IRAN PETROLEUM ENERGY SECTOR LIST.

C. THE PUBLIC FUND SHALL UPDATE THE LIST ON AN ANNUAL BASIS BASED ON INFORMATION FROM THOSE ENTITIES LISTED IN SUBSECTION A.

35-393. Required actions

A. THE PUBLIC FUND SHALL ADHERE TO THE FOLLOWING PROCEDURES FOR COMPANIES ON THE SCRUTINIZED COMPANIES WITH ACTIVITIES IN THE IRAN PETROLEUM ENERGY SECTOR LIST ON AN ANNUAL BASIS:

1. THE PUBLIC FUND SHALL MAKE REASONABLE EFFORTS TO DETERMINE THE COMPANIES ON THE LIST IN WHICH THE PUBLIC FUND OWNS DIRECT HOLDINGS.

2. FOR EACH COMPANY IDENTIFIED PURSUANT TO PARAGRAPH 1 WITH ONLY INACTIVE BUSINESS OPERATIONS, THE PUBLIC FUND SHALL SEND A WRITTEN NOTICE INFORMING THE COMPANY OF THIS ARTICLE AND ENCOURAGING IT TO CONTINUE TO REFRAIN FROM INITIATING ACTIVE BUSINESS OPERATIONS IN IRAN UNTIL IT IS ABLE TO AVOID SCRUTINIZED BUSINESS OPERATIONS. THE PUBLIC FUND SHALL CONTINUE SUCH CORRESPONDENCE ON AN ANNUAL BASIS.

3. FOR EACH COMPANY NEWLY IDENTIFIED PURSUANT TO PARAGRAPH 1 WITH ACTIVE BUSINESS OPERATIONS, THE PUBLIC FUND SHALL SEND A WRITTEN NOTICE INFORMING THE COMPANY OF ITS SCRUTINIZED COMPANY STATUS AND THAT IT MAY BECOME SUBJECT TO DIVESTMENT BY THE PUBLIC FUND. THE NOTICE SHALL OFFER THE COMPANY THE OPPORTUNITY TO CLARIFY ITS IRAN-RELATED ACTIVITIES AND SHALL ENCOURAGE THE COMPANY, WITHIN ONE HUNDRED EIGHTY DAYS, TO EITHER CEASE ITS SCRUTINIZED BUSINESS OPERATIONS OR CONVERT SUCH OPERATIONS TO INACTIVE



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1 BUSINESS OPERATIONS IN ORDER TO AVOID QUALIFYING FOR DIVESTMENT BY THE PUBLIC
2 FUND.

3 4. IF, WITHIN ONE HUNDRED EIGHTY DAYS FOLLOWING THE PUBLIC FUND'S
4 FIRST ENGAGEMENT WITH A COMPANY PURSUANT TO PARAGRAPH 3, THAT COMPANY CEASES
5 SCRUTINIZED BUSINESS OPERATIONS, THE COMPANY SHALL BE REMOVED FROM THE LIST
6 AND THIS SECTION SHALL CEASE TO APPLY TO IT UNLESS IT RESUMES SCRUTINIZED
7 BUSINESS OPERATIONS. IF, WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE PUBLIC
8 FUND'S FIRST ENGAGEMENT, THE COMPANY CONVERTS ITS SCRUTINIZED ACTIVE BUSINESS
9 OPERATIONS TO INACTIVE BUSINESS OPERATIONS, THE COMPANY SHALL BE SUBJECT TO
10 PARAGRAPH 2.

11 5. IF, AFTER ONE HUNDRED EIGHTY DAYS FOLLOWING THE PUBLIC FUND'S FIRST
12 ENGAGEMENT WITH A COMPANY PURSUANT TO PARAGRAPH 3, THE COMPANY CONTINUES TO
13 HAVE SCRUTINIZED ACTIVE BUSINESS OPERATIONS, AND ONLY WHILE SUCH COMPANY
14 CONTINUES TO HAVE SCRUTINIZED ACTIVE BUSINESS OPERATIONS, THE PUBLIC FUND
15 SHALL SELL, REDEEM, DIVEST OR WITHDRAW ALL PUBLICLY TRADED SECURITIES OF THE
16 COMPANY ACCORDING TO THE FOLLOWING SCHEDULE:

17 (a) AT LEAST FIFTY PER CENT OF ASSETS SHALL BE REMOVED FROM THE PUBLIC
18 FUND'S ASSETS UNDER MANAGEMENT WITHIN TWELVE MONTHS AFTER THE COMPANY'S MOST
19 RECENT APPEARANCE ON THE LIST.

20 (b) ONE HUNDRED PER CENT OF ASSETS SHALL BE REMOVED FROM THE PUBLIC
21 FUND'S ASSETS UNDER MANAGEMENT WITHIN EIGHTEEN MONTHS AFTER THE COMPANY'S
22 MOST RECENT APPEARANCE ON THE LIST.

23 (c) IF A COMPANY THAT CEASED SCRUTINIZED ACTIVE BUSINESS OPERATIONS
24 FOLLOWING ENGAGEMENT PURSUANT TO PARAGRAPH 3 RESUMES SUCH OPERATIONS,
25 SUBDIVISION (a) SHALL IMMEDIATELY APPLY, AND THE PUBLIC FUND SHALL SEND A
26 WRITTEN NOTICE TO THE COMPANY. THE COMPANY SHALL ALSO BE IMMEDIATELY
27 REINTRODUCED ONTO THE LIST.

28 6. THE PUBLIC FUND SHALL NOT ACQUIRE SECURITIES OF COMPANIES ON THE
29 SCRUTINIZED COMPANIES WITH ACTIVITIES IN THE IRAN PETROLEUM ENERGY SECTOR
30 LIST THAT HAVE ACTIVE BUSINESS OPERATIONS, EXCEPT AS PROVIDED IN PARAGRAPHS 7
31 AND 8.

32 7. A COMPANY FOR WHOM THE UNITED STATES PRESIDENT EXERCISES HIS WAIVER
33 AUTHORITY OR THE UNITED STATES GOVERNMENT AFFIRMATIVELY DECLARES TO BE
34 EXCLUDED FROM ITS PRESENT OR ANY FUTURE FEDERAL SANCTIONS REGIME RELATING TO
35 IRAN SHALL NOT BE SUBJECT TO DIVESTMENT OR INVESTMENT PROHIBITION PURSUANT TO
36 PARAGRAPHS 5 AND 6.

37 8. NOTWITHSTANDING ANY OTHER LAW, PARAGRAPHS 5 AND 6 DO NOT APPLY TO
38 INDIRECT HOLDINGS IN ACTIVELY OR PASSIVELY MANAGED INVESTMENT FUNDS OR DIRECT
39 HOLDINGS IN PASSIVELY MANAGED INVESTMENT FUNDS. THE PUBLIC FUND SHALL
40 ANNUALLY SUBMIT LETTERS TO THE MANAGERS OF SUCH INVESTMENT FUNDS CONTAINING
41 COMPANIES WITH SCRUTINIZED ACTIVE BUSINESS OPERATIONS REQUESTING THAT THEY
42 CONSIDER REMOVING SUCH COMPANIES FROM THE FUND OR CREATE A SIMILAR ACTIVELY
43 OR PASSIVELY MANAGED FUND DEVOID OF SUCH COMPANIES. IF THE MANAGER CREATES A
44 SIMILAR FUND, THE USE OF WHICH WOULD NOT REQUIRE INCREASED FEES ON THE PART
45 OF THE PUBLIC FUND, THE PUBLIC FUND SHALL REPLACE ALL APPLICABLE INVESTMENTS

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1 WITH INVESTMENTS IN THE SIMILAR FUND IN A REASONABLE TIME FRAME CONSISTENT
2 WITH PRUDENT INVESTING STANDARDS.

3 B. FOR THE PURPOSES OF THIS SECTION, PRIVATE FUNDS SHALL BE DEEMED TO
4 BE INDIRECT HOLDINGS IN ACTIVELY MANAGED INVESTMENT FUNDS.



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35-394. Reporting

A. THE PUBLIC FUND SHALL SUBMIT A PUBLICLY AVAILABLE REPORT TO THE UNITED STATES ATTORNEY GENERAL, THE SENATE AND THE HOUSE OF REPRESENTATIVES COMMITTEES THAT ARE RESPONSIBLE FOR RETIREMENT ISSUES, THE GOVERNOR AND THE CENTRAL PROCUREMENT OFFICER OF THIS STATE THAT INCLUDES THE SCRUTINIZED COMPANIES WITH ACTIVITIES IN THE IRAN PETROLEUM ENERGY SECTOR LIST WITHIN THIRTY DAYS AFTER THE LIST IS FIRST CREATED.

B. ON OR BEFORE JANUARY 31 OF EACH YEAR, THE PUBLIC FUND SHALL SUBMIT A PUBLICLY AVAILABLE REPORT TO THE UNITED STATES ATTORNEY GENERAL, THE SENATE AND THE HOUSE OF REPRESENTATIVES COMMITTEES THAT ARE RESPONSIBLE FOR RETIREMENT ISSUES, THE GOVERNOR AND THE CENTRAL PROCUREMENT OFFICER OF THIS STATE THAT INCLUDES ALL OF THE FOLLOWING:

1. A SUMMARY OF CORRESPONDENCE WITH COMPANIES ENGAGED BY THE PUBLIC FUND PURSUANT TO SECTION 35-393, SUBSECTION A, PARAGRAPHS 2 AND 3.

2. ALL INVESTMENTS SOLD, REDEEMED, DIVESTED OR WITHDRAWN PURSUANT TO SECTION 35-393, SUBSECTION A, PARAGRAPH 5.

3. ALL PROHIBITED INVESTMENTS PURSUANT TO SECTION 35-393, SUBSECTION A, PARAGRAPH 6.

4. ANY PROGRESS MADE PURSUANT TO SECTION 35-393, SUBSECTION A, PARAGRAPH 8.

5. ALL INVESTMENT COSTS ASSOCIATED WITH COMPLIANCE WITH SECTION 35-393.

35-395. Other legal obligations: immunity

A. WITH RESPECT TO ACTIONS TAKEN IN COMPLIANCE WITH THIS ARTICLE, INCLUDING ALL GOOD FAITH DETERMINATIONS REGARDING COMPANIES AS REQUIRED BY THIS ARTICLE, A PUBLIC FUND, ITS BOARD OF DIRECTORS AND INDIVIDUAL BOARD MEMBERS, AGENTS, ATTORNEYS, TRUSTEES, OFFICERS, EMPLOYEES, CUSTODIANS, FIDUCIARIES, RESEARCH FIRMS AND INVESTMENT MANAGERS UNDER CONTRACT WITH THE PUBLIC FUND ARE EXEMPT FROM ANY CONFLICTING STATUTORY OR COMMON LAW OBLIGATIONS, INCLUDING ANY SUCH OBLIGATIONS WITH RESPECT TO CHOICE OF ASSET MANAGERS, INVESTMENT FUNDS OR INVESTMENTS FOR THE PUBLIC FUND'S SECURITIES PORTFOLIOS.

B. WITH RESPECT TO ALL ACTIONS TAKEN IN GOOD FAITH COMPLIANCE WITH THIS ARTICLE, A PUBLIC FUND, ITS BOARD OF DIRECTORS AND INDIVIDUAL BOARD MEMBERS, AGENTS, ATTORNEYS, TRUSTEES, OFFICERS, EMPLOYEES, CUSTODIANS, FIDUCIARIES, RESEARCH FIRMS AND INVESTMENT MANAGERS UNDER CONTRACT WITH THE PUBLIC FUND ARE IMMUNE FROM ANY LIABILITY.

C. A PUBLIC FUND, ITS BOARD OF DIRECTORS AND INDIVIDUAL BOARD MEMBERS, AGENTS, ATTORNEYS, TRUSTEES, OFFICERS, EMPLOYEES, CUSTODIANS, FIDUCIARIES, RESEARCH FIRMS AND INVESTMENT MANAGERS UNDER CONTRACT WITH THE PUBLIC FUND ARE INDEMNIFIED FROM THE STATE GENERAL FUND AND HELD HARMLESS BY THIS STATE

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FROM ALL CLAIMS, DEMANDS, SUITS, ACTIONS, DAMAGES, JUDGMENTS, COSTS, CHARGES AND EXPENSES, INCLUDING COSTS AND ATTORNEY FEES, AND AGAINST ALL LIABILITY, LOSSES AND DAMAGES OF ANY NATURE THAT THE PUBLIC FUND, BOARD OF DIRECTORS AND INDIVIDUAL BOARD MEMBERS, AGENTS, ATTORNEYS, TRUSTEES, OFFICERS, EMPLOYEES, CUSTODIANS, FIDUCIARIES, RESEARCH FIRMS AND INVESTMENT MANAGERS UNDER CONTRACT WITH THE PUBLIC FUND MAY AT ANY TIME SUSTAIN BY REASON OF ANY DECISION TO RESTRICT, REDUCE OR ELIMINATE INVESTMENTS MADE IN GOOD FAITH COMPLIANCE WITH THIS ARTICLE.

35-396. Reinvestment in certain companies with scrutinized active business operations



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NOTWITHSTANDING ANY OTHER LAW, THE PUBLIC FUND MAY CEASE DIVESTING FROM CERTAIN SCRUTINIZED COMPANIES PURSUANT TO SECTION 35-393 OR REINVEST IN CERTAIN SCRUTINIZED COMPANIES FROM WHICH IT DIVESTED PURSUANT TO SECTION 35-393 IF A PREPONDERANCE OF THE EVIDENCE SHOWS THAT THE VALUE OF THE ASSETS OF THE AFFECTED ACCOUNT OF THE PUBLIC FUND BECOMES EQUAL TO OR LESS THAN NINETY-NINE AND ONE-HALF PER CENT OF THE HYPOTHETICAL VALUE OF THE ASSETS OF THE AFFECTED ACCOUNT OF THE PUBLIC FUND ASSUMING NO DIVESTMENT FOR ANY COMPANY HAD OCCURRED UNDER SECTION 35-393. FOR ANY CESSATION OF DIVESTMENT, REINVESTMENT OR SUBSEQUENT ONGOING INVESTMENT AUTHORIZED BY THIS SECTION, THE PUBLIC FUND SHALL PROVIDE A WRITTEN REPORT TO THE GOVERNOR, THE SENATE AND THE HOUSE OF REPRESENTATIVES COMMITTEES THAT ARE RESPONSIBLE FOR RETIREMENT ISSUES, IN ADVANCE OF INITIAL REINVESTMENT, UPDATED ANNUALLY THEREAFTER AS APPLICABLE, SETTING FORTH THE REASONS AND JUSTIFICATION, SUPPORTED BY A PREPONDERANCE OF THE EVIDENCE, FOR ITS DECISIONS TO CEASE DIVESTMENT, REINVEST OR REMAIN INVESTED IN COMPANIES WITH SCRUTINIZED ACTIVE BUSINESS OPERATIONS. THIS SECTION HAS NO APPLICATION TO REINVESTMENT IN COMPANIES ON THE GROUND THAT THEY HAVE CEASED TO HAVE SCRUTINIZED ACTIVE BUSINESS OPERATIONS.

35-397. Prohibition on government contracts

A. WITHIN THIRTY DAYS AFTER RECEIPT OF A REPORT REQUIRED BY SECTION 35-394, THE CENTRAL PROCUREMENT OFFICER OF THIS STATE SHALL SEND A NOTICE TO THE SCRUTINIZED COMPANY INDICATING THAT THIS STATE AND ITS POLITICAL SUBDIVISIONS ARE PROHIBITED FROM PURCHASING ANY PRODUCT OR SERVICE FROM A SCRUTINIZED COMPANY UNTIL THE COMPANY IS NO LONGER ON THE SCRUTINIZED COMPANIES WITH ACTIVITIES IN THE IRAN PETROLEUM ENERGY SECTOR LIST. THIS PROHIBITION DOES NOT APPLY TO ANY EXISTING CONTRACT BUT DOES APPLY TO ANY NEW CONTRACT OR RENEWAL OF A CONTRACT.

B. THIS STATE AND POLITICAL SUBDIVISIONS OF THIS STATE SHALL ENSURE THAT EACH CONTRACT ENTERED INTO BY THE STATE OR POLITICAL SUBDIVISION OF THIS STATE FOR THE PROCUREMENT OF GOODS OR SERVICES INCLUDES A CLAUSE THAT REQUIRES THE CONTRACTOR TO CERTIFY TO THE CONTRACTING OFFICER THAT THE CONTRACTOR DOES NOT HAVE SCRUTINIZED BUSINESS OPERATIONS IN IRAN.

C. IF THIS STATE OR POLITICAL SUBDIVISION OF THIS STATE DETERMINES THAT THE CONTRACTOR HAS SUBMITTED A FALSE CERTIFICATION UNDER SUBSECTION B OF THIS SECTION, THE STATE OR POLITICAL SUBDIVISION MAY IMPOSE REMEDIES AS

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PROVIDED BY LAW. ON THE DETERMINATION OF A FALSE CERTIFICATION UNDER SUBSECTION B OF THIS SECTION, THIS STATE OR POLITICAL SUBDIVISION OF THIS STATE MAY TERMINATE A COVERED CONTRACT.

D. THIS STATE OR POLITICAL SUBDIVISION OF THIS STATE SHALL NOTIFY THE CENTRAL PROCUREMENT OFFICER OF THIS STATE OF ANY CONTRACTOR THAT HAS SUBMITTED A FALSE CERTIFICATION UNDER SUBSECTION B OF THIS SECTION.

E. BASED ON INFORMATION REPORTED IN SECTION 35-394, THE CENTRAL PROCUREMENT OFFICER OF THIS STATE SHALL COMPILE AND MAKE AVAILABLE, ON AN ANNUAL BASIS, A LIST OF PARTIES WITH ACTIVITIES IN THE IRAN PETROLEUM ENERGY SECTOR EXCLUDED FROM ARIZONA PROCUREMENT.

F. BASED ON INFORMATION REPORTED IN SECTION 35-394, THE CENTRAL PROCUREMENT OFFICER OF THIS STATE MAY SUSPEND A CONTRACTOR FROM ELIGIBILITY FOR STATE OR POLITICAL SUBDIVISION CONTRACTS UPON THE NOTIFICATION FROM THE STATE OR POLITICAL SUBDIVISION OF A FALSE CERTIFICATION UNDER SUBSECTION B OF THIS SECTION. THE SUSPENSION PERIOD SHALL NOT EXCEED THREE YEARS.

G. THIS SECTION DOES NOT LIMIT THE USE OF OTHER REMEDIES AVAILABLE TO



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THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE OR ANY OTHER OFFICIAL OF THIS STATE THE BASIS OF A FALSE CERTIFICATION UNDER SUBSECTION B OF THIS SECTION.

H. THE GOVERNOR MAY WAIVE THE REQUIREMENTS OF SUBSECTION A OR B OF THIS SECTION ON A CASE-BY-CASE BASIS IF THE GOVERNOR DETERMINES AND CERTIFIES IN WRITING TO THE CENTRAL PROCUREMENT OFFICER OF THIS STATE THAT IT IS IN THE STATE'S BEST INTEREST TO DO SO.

I. WITHIN ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION, THE CENTRAL PROCUREMENT OFFICER OF THIS STATE SHALL PROVIDE A WRITTEN REPORT TO THE GOVERNOR, THE SENATE AND THE HOUSE OF REPRESENTATIVES COMMITTEES THAT ARE RESPONSIBLE FOR RETIREMENT ISSUES ON THE ACTIONS TAKEN UNDER THIS SECTION.

J. THIS SECTION APPLIES TO ALL AFFILIATED COMPANIES AND SUBSIDIARIES OF THE COMPANY.

Sec. 2. Appropriation; Arizona state retirement system; exemption

A. The sum of \$30,000 and one-half FTE position is appropriated from the Arizona state retirement system administration account in fiscal year 2008-2009 to the Arizona state retirement system for the administrative implementation of this act.

B. The appropriation made in subsection A of this section is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Sec. 3. Delayed repeal; condition; notice

A. Title 35, chapter 2, article 7, Arizona Revised Statutes, as added by this act, is repealed as of the earliest date that any of the following occurs:

1. The United States Congress or President of the United States affirmatively and unambiguously states, by means including legislation, executive order or written certification from the President to Congress, that

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the government of Iran has ceased to pursue the capabilities to develop nuclear weapons and support international terrorism.

2. The United States revokes all sanctions imposed against the government of Iran.

3. The United States Congress or President of the United States affirmatively and unambiguously states, by means including legislation, executive order or written certification from the President to Congress, that divestment of the type provided for in this act interferes with the conduct of United States foreign policy.

4. Public Law 104-172, the Iran Sanctions Act of 1996, and its amendments are repealed.

5. July 1, 2013.

B. The director of the Arizona state retirement system shall notify in writing the director of the Arizona legislative council of this date.

Sec. 4. Emergency

This act is an emergency measure that is necessary to preserve the public peace, health or safety and is operative immediately as provided by law.



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House Engrossed

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HOUSE BILL 2705

AN ACT

AMENDING TITLE 35, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7;
PROVIDING FOR THE DELAYED REPEAL OF TITLE 35, CHAPTER 2, ARTICLE 7, ARIZONA
REVISED STATUTES; RELATING TO SUDAN INVESTMENTS AND BUSINESS OPERATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 35, chapter 2, Arizona Revised Statutes, is amended
3 by adding article 7, to read:
4 ARTICLE 7. SUDAN INVESTMENTS AND BUSINESS OPERATIONS
5 **35-391. Definitions**
6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:
7 1. "ACTIVE BUSINESS OPERATIONS" MEANS ALL BUSINESS OPERATIONS THAT ARE
8 NOT INACTIVE BUSINESS OPERATIONS.
9 2. "BUSINESS OPERATIONS" MEANS ENGAGING IN COMMERCE IN ANY FORM IN
10 SUDAN, INCLUDING ACQUIRING, DEVELOPING, MAINTAINING, OWNING, SELLING,
11 POSSESSING, LEASING OR OPERATING EQUIPMENT, FACILITIES, PERSONNEL, PRODUCTS,
12 SERVICES, PERSONAL PROPERTY, REAL PROPERTY OR ANY OTHER APPARATUS OF BUSINESS
13 OR COMMERCE.
14 3. "COMPANY" MEANS ANY SOLE PROPRIETORSHIP, ORGANIZATION, ASSOCIATION,
15 CORPORATION, PARTNERSHIP, JOINT VENTURE, LIMITED PARTNERSHIP, LIMITED
16 LIABILITY PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY OR BUSINESS
17 ASSOCIATION, INCLUDING ALL WHOLLY-OWNED SUBSIDIARIES, MAJORITY-OWNED
18 SUBSIDIARIES OR PARENT COMPANIES OR AFFILIATES OF SUCH ENTITIES OR BUSINESS
19 ASSOCIATIONS, THAT EXISTS FOR PROFIT-MAKING PURPOSES.
20 4. "COMPLICIT" MEANS TAKING ACTIONS DURING ANY PRECEDING TWENTY-MONTH
21 PERIOD THAT HAVE SUPPORTED OR PROMOTED THE GENOCIDAL CAMPAIGN IN DARFUR,
22 INCLUDING PREVENTING DARFUR'S VICTIMIZED POPULATION FROM COMMUNICATING WITH
23 EACH OTHER, ENCOURAGING SUDANESE CITIZENS TO SPEAK OUT AGAINST AN
24 INTERNATIONALLY APPROVED SECURITY FORCE FOR DARFUR, ACTIVELY WORKING TO DENY,
25 COVER UP OR ALTER THE RECORD ON HUMAN RIGHTS ABUSES IN DARFUR OR OTHER
26 SIMILAR ACTIONS.
27 5. "DIRECT HOLDINGS" MEANS ALL PUBLICLY TRADED EQUITY SECURITIES HELD
28 DIRECTLY BY THE PUBLIC FUND IN WHICH THE PUBLIC FUND OWNS ALL SHARES OR
29 INTERESTS.
30 6. "GOVERNMENT OF SUDAN" MEANS THE GOVERNMENT IN KHARTOUM, SUDAN,
31 WHICH IS LED BY THE NATIONAL CONGRESS PARTY, FORMERLY KNOWN AS THE NATIONAL
32 ISLAMIC FRONT, OR ANY SUCCESSOR GOVERNMENT FORMED ON OR AFTER OCTOBER 13,
33 2006, INCLUDING THE COALITION NATIONAL UNITY GOVERNMENT AGREED ON IN THE
34 COMPREHENSIVE PEACE AGREEMENT FOR SUDAN, BUT DOES NOT INCLUDE THE REGIONAL
35 GOVERNMENT OF SOUTHERN SUDAN.
36 7. "INACTIVE BUSINESS OPERATIONS" MEANS THE CONTINUED HOLDING OR
37 RENEWAL OF RIGHTS TO PROPERTY PREVIOUSLY OPERATED FOR THE PURPOSE OF
38 GENERATING REVENUES BUT NOT PRESENTLY DEPLOYED FOR THAT PURPOSE.



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8. "INDIRECT HOLDINGS" MEANS ALL PUBLICLY TRADED EQUITY SECURITIES HELD IN AN ACCOUNT OR FUND, INCLUDING A MUTUAL FUND, MANAGED BY ONE OR MORE PERSONS NOT EMPLOYED BY THE PUBLIC FUND, IN WHICH THE PUBLIC FUND OWNS SHARES OR INTERESTS TOGETHER WITH OTHER INVESTORS WHO ARE NOT SUBJECT TO THIS ARTICLE.

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9. "MARGINALIZED POPULATIONS OF SUDAN" INCLUDES THE PORTION OF THE POPULATION IN THE DARFUR REGION THAT HAS BEEN GENOCIDALLY VICTIMIZED, THE PORTION OF THE POPULATION OF SOUTHERN SUDAN VICTIMIZED BY SUDAN'S NORTH-SOUTH CIVIL WAR, THE BEJA, RASHIDIYA AND OTHER SIMILARLY UNDERSERVED GROUPS OF EASTERN SUDAN, THE NUBIAN AND OTHER SIMILARLY UNDERSERVED GROUPS IN SUDAN'S ABYEI, SOUTHERN BLUE NILE AND NUBA MOUNTAIN REGIONS AND THE AMRI, HAMADAB, MANASIR AND OTHER SIMILARLY UNDERSERVED GROUPS OF NORTHERN SUDAN.

10. "MILITARY EQUIPMENT" MEANS WEAPONS, ARMS, MILITARY SUPPLIES AND EQUIPMENT THAT READILY MAY BE USED FOR MILITARY PURPOSES, INCLUDING RADAR SYSTEMS OR MILITARY-GRADE TRANSPORT VEHICLES OR SUPPLIES OR SERVICES SOLD OR PROVIDED DIRECTLY OR INDIRECTLY TO ANY FORCE ACTIVELY PARTICIPATING IN ARMED CONFLICT IN SUDAN.

11. "MINERAL EXTRACTION ACTIVITIES" INCLUDES EXPLORING, EXTRACTING, PROCESSING, TRANSPORTING OR WHOLESALE SELLING OR TRADING OF ELEMENTAL MINERALS OR ASSOCIATED METAL ALLOYS OR ORES, INCLUDING GOLD, COPPER, CHROMIUM, CHROMITE, DIAMONDS, IRON, IRON ORE, SILVER, TUNGSTEN, URANIUM AND ZINC, AND FACILITATING THOSE ACTIVITIES, INCLUDING BY PROVIDING SUPPLIES OR SERVICES IN SUPPORT OF THOSE ACTIVITIES.

12. "OIL-RELATED ACTIVITIES" INCLUDES OWNING RIGHTS TO OIL BLOCKS, EXPORTING, EXTRACTING, PRODUCING, REFINING, PROCESSING, EXPLORING FOR, TRANSPORTING, SELLING OR TRADING OF OIL, CONSTRUCTING, MAINTAINING OR OPERATING A PIPELINE, REFINERY OR OTHER OIL FIELD INFRASTRUCTURE AND FACILITATING THOSE ACTIVITIES, INCLUDING BY PROVIDING SUPPLIES OR SERVICES IN SUPPORT OF THOSE ACTIVITIES, EXCEPT THAT THE RETAIL SALE OF GASOLINE AND RELATED CONSUMER PRODUCTS IS NOT AN OIL-RELATED ACTIVITY.

13. "POWER PRODUCTION ACTIVITIES" MEANS ANY BUSINESS OPERATION THAT INVOLVES A PROJECT COMMISSIONED BY THE NATIONAL ELECTRICITY CORPORATION OF SUDAN OR OTHER SIMILAR GOVERNMENT OF SUDAN ENTITY AND WHOSE PURPOSE IS TO FACILITATE POWER GENERATION AND DELIVERY, INCLUDING ESTABLISHING POWER-GENERATING PLANTS OR HYDROELECTRIC DAMS, SELLING OR INSTALLING COMPONENTS FOR THE PROJECT, PROVIDING SERVICE CONTRACTS RELATED TO THE INSTALLATION OR MAINTENANCE OF THE PROJECT OR FACILITATING THOSE ACTIVITIES, INCLUDING BY PROVIDING SUPPLIES OR SERVICES IN SUPPORT OF THOSE ACTIVITIES.

14. "PUBLIC FUND" MEANS THE ARIZONA STATE RETIREMENT SYSTEM ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 2, THE ELECTED OFFICIALS' RETIREMENT PLAN ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 3, THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 4, THE CORRECTIONS OFFICER RETIREMENT PLAN ESTABLISHED BY TITLE 38, CHAPTER 5, ARTICLE 6 AND THE STATE TREASURER INVESTMENTS AUTHORIZED BY SECTION 35-314.02.

15. "SCRUTINIZED" MEANS ANY BUSINESS OPERATIONS THAT INVOLVE CONTRACTS WITH OR PROVISION OF SUPPLIES OR SERVICES TO THE GOVERNMENT OF SUDAN, COMPANIES IN WHICH THE GOVERNMENT OF SUDAN HAS ANY DIRECT OR INDIRECT EQUITY SHARE, GOVERNMENT OF SUDAN-COMMISSIONED CONSORTIUMS OR PROJECTS OR COMPANIES



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1 INVOLVED IN GOVERNMENT OF SUDAN-COMMISSIONED CONSORTIUMS OR PROJECTS AND ANY
2 OF THE FOLLOWING APPLIES:

3 (a) A MATERIAL PORTION OF THE COMPANY'S REVENUES OR ASSETS ARE
4 ATTRIBUTED TO SUDAN AND INVOLVE OIL-RELATED ACTIVITIES OR MINERAL EXTRACTION
5 ACTIVITIES, LESS THAN SEVENTY-FIVE PER CENT OF THE COMPANY'S REVENUES OR
6 ASSETS ATTRIBUTED TO SUDAN INVOLVE CONTRACTS WITH OR PROVISION OF OIL-RELATED
7 OR MINERAL EXTRACTING PRODUCTS OR SERVICES TO THE REGIONAL GOVERNMENT OF
8 SOUTHERN SUDAN OR A PROJECT OR CONSORTIUM CREATED EXCLUSIVELY BY THAT
9 REGIONAL GOVERNMENT AND THE COMPANY HAS FAILED TO TAKE SUBSTANTIAL ACTION.
10 THE PUBLIC FUND HAS SOLE DISCRETION TO DETERMINE WHAT IS A MATERIAL PORTION
11 OF REVENUES OR ASSETS.

12 (b) A MATERIAL PORTION OF THE COMPANY'S REVENUES OR ASSETS ARE
13 ATTRIBUTED TO SUDAN AND INVOLVE POWER PRODUCTION ACTIVITIES, LESS THAN
14 SEVENTY-FIVE PER CENT OF THE COMPANY'S POWER PRODUCTION ACTIVITIES INCLUDE
15 PROJECTS WHOSE INTENT IS TO PROVIDE POWER OR ELECTRICITY TO THE MARGINALIZED
16 POPULATIONS OF SUDAN AND THE COMPANY HAS FAILED TO TAKE SUBSTANTIAL ACTION.
17 THE PUBLIC FUND HAS SOLE DISCRETION TO DETERMINE WHAT IS A MATERIAL PORTION
18 OF REVENUES OR ASSETS.

19 (c) THE COMPANY IS COMPLICIT IN THE DARFUR GENOCIDE.

20 (d) THE COMPANY SUPPLIES MILITARY EQUIPMENT IN SUDAN, UNLESS IT
21 CLEARLY SHOWS THAT THE MILITARY EQUIPMENT CANNOT BE USED TO FACILITATE
22 OFFENSIVE MILITARY ACTIONS IN SUDAN OR THE COMPANY IMPLEMENTS RIGOROUS AND
23 VERIFIABLE SAFEGUARDS TO PREVENT USE OF THAT EQUIPMENT BY FORCES ACTIVELY
24 PARTICIPATING IN ARMED CONFLICT SUCH AS THROUGH POST-SALE TRACKING OF THAT
25 EQUIPMENT BY THE COMPANY, CERTIFICATION FROM A REPUTABLE AND OBJECTIVE THIRD
26 PARTY THAT THE EQUIPMENT IS NOT BEING USED BY A PARTY PARTICIPATING IN ARMED
27 CONFLICT IN SUDAN OR SALE OF THAT EQUIPMENT SOLELY TO THE REGIONAL GOVERNMENT
28 OF SOUTHERN SUDAN OR ANY INTERNATIONALLY RECOGNIZED PEACEKEEPING FORCE OR
29 HUMANITARIAN ORGANIZATION. A SOCIAL DEVELOPMENT COMPANY THAT IS NOT
30 COMPLICIT IN THE DARFUR GENOCIDE SHALL NOT BE CONSIDERED TO BE A SCRUTINIZED
31 COMPANY.

32 16. "SOCIAL DEVELOPMENT COMPANY" MEANS A COMPANY WHOSE PRIMARY PURPOSE
33 IN SUDAN IS TO PROVIDE HUMANITARIAN GOODS OR SERVICES, INCLUDING MEDICINE OR
34 MEDICAL EQUIPMENT, AGRICULTURAL SUPPLIES OR INFRASTRUCTURE, EDUCATIONAL
35 OPPORTUNITIES, JOURNALISM-RELATED ACTIVITIES, INFORMATION OR INFORMATION
36 MATERIALS, SPIRITUAL-RELATED ACTIVITIES, SERVICES OF A PURELY CLERICAL OR
37 REPORTING NATURE, FOOD, CLOTHING OR GENERAL CONSUMER GOODS THAT ARE UNRELATED
38 TO OIL-RELATED ACTIVITIES, MINERAL EXTRACTION ACTIVITIES OR POWER PRODUCTION
39 ACTIVITIES.

40 17. "SUBSTANTIAL ACTION" MEANS ADOPTING, PUBLICIZING AND IMPLEMENTING A
41 FORMAL PLAN TO CEASE SCRUTINIZED BUSINESS OPERATIONS WITHIN ONE YEAR AND TO
42 REFRAIN FROM ANY SUCH NEW BUSINESS OPERATIONS, AND UNDERTAKING SIGNIFICANT
43 HUMANITARIAN EFFORTS IN CONJUNCTION WITH AN INTERNATIONAL ORGANIZATION, THE
44 GOVERNMENT OF SUDAN, THE REGIONAL GOVERNMENT OF SOUTHERN SUDAN OR A NONPROFIT
45 ENTITY AND EVALUATED AND CERTIFIED BY AN INDEPENDENT THIRD PARTY TO BE

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1 SUBSTANTIAL IN RELATIONSHIP TO THE COMPANY'S SUDAN BUSINESS OPERATIONS AND OF
2 BENEFIT TO ONE OR MORE MARGINALIZED POPULATIONS OF SUDAN OR, THROUGH
3 ENGAGEMENT WITH THE GOVERNMENT OF SUDAN, MATERIALLY IMPROVING CONDITIONS FOR
4 THE GENOCIDALLY VICTIMIZED POPULATION IN DARFUR.



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35-392. Identification of companies

A. WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE EFFECTIVE DATE OF THIS ARTICLE, THE PUBLIC FUND SHALL MAKE REASONABLE EFFORTS TO IDENTIFY ALL SCRUTINIZED COMPANIES IN WHICH THE PUBLIC FUND HAS DIRECT HOLDINGS. SUCH EFFORTS SHALL INCLUDE THE FOLLOWING:

1. REVIEWING AND RELYING, AS APPROPRIATE IN THE PUBLIC FUND'S JUDGMENT, ON PUBLICLY AVAILABLE INFORMATION REGARDING COMPANIES WITH BUSINESS OPERATIONS IN SUDAN, INCLUDING INFORMATION PROVIDED BY NONPROFIT ORGANIZATIONS, RESEARCH FIRMS, INTERNATIONAL ORGANIZATIONS AND GOVERNMENT ENTITIES.

2. CONTACTING ASSET MANAGERS CONTRACTED BY THE PUBLIC FUND THAT INVEST IN COMPANIES WITH BUSINESS OPERATIONS IN SUDAN.

3. CONTACTING OTHER INSTITUTIONAL INVESTORS THAT HAVE DIVESTED FROM OR ENGAGED WITH COMPANIES THAT HAVE BUSINESS OPERATIONS IN SUDAN.

B. BEFORE THE FIRST MEETING OF THE PUBLIC FUND FOLLOWING THE ONE HUNDRED EIGHTY-DAY PERIOD, THE PUBLIC FUND SHALL ASSEMBLE ALL IDENTIFIED SCRUTINIZED COMPANIES INTO A SCRUTINIZED COMPANIES LIST.

C. THE PUBLIC FUND SHALL UPDATE THE SCRUTINIZED COMPANIES LIST ON AN ANNUAL BASIS BASED ON INFORMATION FROM THOSE ENTITIES LISTED IN SUBSECTION A.

35-393. Required actions

A. THE PUBLIC FUND SHALL ADHERE TO THE FOLLOWING PROCEDURES FOR COMPANIES ON THE SCRUTINIZED COMPANIES LIST ON AN ANNUAL BASIS:

1. THE PUBLIC FUND SHALL MAKE REASONABLE EFFORTS TO DETERMINE THE COMPANIES ON THE SCRUTINIZED COMPANIES LIST IN WHICH THE PUBLIC FUND OWNS DIRECT HOLDINGS.

2. FOR EACH COMPANY IDENTIFIED PURSUANT TO PARAGRAPH 1 WITH ONLY INACTIVE BUSINESS OPERATIONS, THE PUBLIC FUND SHALL SEND A WRITTEN NOTICE INFORMING THE COMPANY OF THIS ARTICLE AND ENCOURAGING IT TO CONTINUE TO REFRAIN FROM INITIATING ACTIVE BUSINESS OPERATIONS IN SUDAN UNTIL IT IS ABLE TO AVOID SCRUTINIZED BUSINESS OPERATIONS. THE PUBLIC FUND SHALL CONTINUE SUCH CORRESPONDENCE ON AN ANNUAL BASIS.

3. FOR EACH COMPANY NEWLY IDENTIFIED PURSUANT TO PARAGRAPH 1 WITH ACTIVE BUSINESS OPERATIONS, THE PUBLIC FUND SHALL SEND A WRITTEN NOTICE INFORMING THE COMPANY OF ITS SCRUTINIZED COMPANY STATUS AND THAT IT MAY BECOME SUBJECT TO DIVESTMENT BY THE PUBLIC FUND. THE NOTICE SHALL OFFER THE COMPANY THE OPPORTUNITY TO CLARIFY ITS SUDAN-RELATED ACTIVITIES AND SHALL ENCOURAGE THE COMPANY, WITHIN ONE HUNDRED EIGHTY DAYS, TO EITHER CEASE ITS SCRUTINIZED BUSINESS OPERATIONS OR CONVERT SUCH OPERATIONS TO INACTIVE BUSINESS OPERATIONS IN ORDER TO AVOID QUALIFYING FOR DIVESTMENT BY THE PUBLIC FUND.

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4. IF, WITHIN ONE HUNDRED EIGHTY DAYS FOLLOWING THE PUBLIC FUND'S FIRST ENGAGEMENT WITH A COMPANY PURSUANT TO PARAGRAPH 3, THAT COMPANY CEASES SCRUTINIZED BUSINESS OPERATIONS, THE COMPANY SHALL BE REMOVED FROM THE SCRUTINIZED COMPANIES LIST AND THIS SECTION SHALL CEASE TO APPLY TO IT UNLESS IT RESUMES SCRUTINIZED BUSINESS OPERATIONS. IF, WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE PUBLIC FUND'S FIRST ENGAGEMENT, THE COMPANY CONVERTS ITS SCRUTINIZED ACTIVE BUSINESS OPERATIONS TO INACTIVE BUSINESS OPERATIONS, THE COMPANY IS SUBJECT TO PARAGRAPH 2.

5. IF, AFTER ONE HUNDRED EIGHTY DAYS FOLLOWING THE PUBLIC FUND'S FIRST ENGAGEMENT WITH A COMPANY PURSUANT TO PARAGRAPH 3, THE COMPANY CONTINUES TO HAVE SCRUTINIZED ACTIVE BUSINESS OPERATIONS, AND ONLY WHILE THAT COMPANY



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CONTINUES TO HAVE SCRUTINIZED ACTIVE BUSINESS OPERATIONS, THE PUBLIC FUND SHALL SELL, REDEEM, DIVEST OR WITHDRAW ALL PUBLICLY TRADED SECURITIES OF THE COMPANY ACCORDING TO THE FOLLOWING SCHEDULE:

(a) AT LEAST FIFTY PER CENT OF ASSETS SHALL BE REMOVED FROM THE PUBLIC FUND'S ASSETS UNDER MANAGEMENT WITHIN TWELVE MONTHS AFTER THE COMPANY'S MOST RECENT APPEARANCE ON THE SCRUTINIZED COMPANIES LIST.

(b) ONE HUNDRED PER CENT OF ASSETS SHALL BE REMOVED FROM THE PUBLIC FUND'S ASSETS UNDER MANAGEMENT WITHIN EIGHTEEN MONTHS AFTER THE COMPANY'S MOST RECENT APPEARANCE ON THE SCRUTINIZED COMPANIES LIST.

(c) IF A COMPANY THAT CEASED SCRUTINIZED ACTIVE BUSINESS OPERATIONS FOLLOWING ENGAGEMENT PURSUANT TO PARAGRAPH 3 RESUMES SUCH OPERATIONS, SUBDIVISION (a) SHALL IMMEDIATELY APPLY, AND THE PUBLIC FUND SHALL SEND A WRITTEN NOTICE TO THE COMPANY. THE COMPANY SHALL ALSO BE IMMEDIATELY REINTRODUCED ONTO THE SCRUTINIZED COMPANIES LIST.

6. THE PUBLIC FUND SHALL NOT ACQUIRE SECURITIES OF COMPANIES ON THE SCRUTINIZED COMPANIES LIST THAT HAVE ACTIVE BUSINESS OPERATIONS, EXCEPT AS PROVIDED IN PARAGRAPHS 7 AND 8.

7. A COMPANY THAT THE UNITED STATES GOVERNMENT AFFIRMATIVELY DECLARES TO BE EXCLUDED FROM ITS PRESENT OR ANY FUTURE FEDERAL SANCTIONS REGIME RELATING TO SUDAN SHALL NOT BE SUBJECT TO DIVESTMENT OR INVESTMENT PROHIBITION PURSUANT TO PARAGRAPHS 5 AND 6.

8. NOTWITHSTANDING ANY OTHER LAW, PARAGRAPHS 5 AND 6 DO NOT APPLY TO INDIRECT HOLDINGS IN ACTIVELY OR PASSIVELY MANAGED INVESTMENT FUNDS OR DIRECT HOLDINGS IN PASSIVELY MANAGED INVESTMENT FUNDS. THE PUBLIC FUND SHALL ANNUALLY SUBMIT LETTERS TO THE MANAGERS OF SUCH INVESTMENT FUNDS CONTAINING COMPANIES WITH SCRUTINIZED ACTIVE BUSINESS OPERATIONS REQUESTING THAT THEY CONSIDER REMOVING SUCH COMPANIES FROM THE FUND OR CREATE A SIMILAR ACTIVELY OR PASSIVELY MANAGED FUND DEVOID OF SUCH COMPANIES. IF THE MANAGER CREATES A SIMILAR FUND, THE USE OF WHICH WOULD NOT REQUIRE INCREASED FEES ON THE PART OF THE PUBLIC FUND, THE PUBLIC FUND SHALL REPLACE ALL APPLICABLE INVESTMENTS WITH INVESTMENTS IN THE SIMILAR FUND IN AN EXPEDITED TIME FRAME CONSISTENT WITH PRUDENT INVESTING STANDARDS.

B. FOR THE PURPOSES OF THIS SECTION, PRIVATE EQUITY FUNDS SHALL BE DEEMED TO BE ACTIVELY MANAGED INVESTMENT FUNDS.

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35-394 . Reporting

A. THE PUBLIC FUND SHALL SUBMIT A PUBLICLY AVAILABLE REPORT TO THE UNITED STATES ATTORNEY GENERAL, THE SENATE FINANCIAL INSTITUTIONS, INSURANCE AND RETIREMENT COMMITTEE AND THE HOUSE OF REPRESENTATIVES PUBLIC INSTITUTIONS AND RETIREMENT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND THE CENTRAL PROCUREMENT OFFICER OF THIS STATE THAT INCLUDES THE SCRUTINIZED COMPANIES LIST WITHIN THIRTY DAYS AFTER THE LIST IS FIRST CREATED.

B. ON OR BEFORE JANUARY 31 OF EACH YEAR, THE PUBLIC FUND SHALL SUBMIT A PUBLICLY AVAILABLE REPORT TO THE UNITED STATES ATTORNEY GENERAL, THE SENATE FINANCIAL INSTITUTIONS, INSURANCE AND RETIREMENT COMMITTEE AND THE HOUSE OF REPRESENTATIVES PUBLIC INSTITUTIONS AND RETIREMENT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND THE CENTRAL PROCUREMENT OFFICER OF THIS STATE THAT INCLUDES ALL OF THE FOLLOWING:

1. A SUMMARY OF CORRESPONDENCE WITH COMPANIES ENGAGED BY THE PUBLIC FUND PURSUANT TO SECTION 35-393, SUBSECTION A, PARAGRAPHS 2 AND 3.

2. ALL INVESTMENTS SOLD, REDEEMED, DIVESTED OR WITHDRAWN IN COMPLIANCE WITH SECTION 35-393, PARAGRAPH 5.



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3. ALL PROHIBITED INVESTMENTS UNDER SECTION 35-393, SUBSECTION A, PARAGRAPH 6.

4. ANY PROGRESS MADE UNDER SECTION 35-393, SUBSECTION A, PARAGRAPH 8.

5. ALL INVESTMENT COSTS ASSOCIATED WITH COMPLIANCE WITH SECTION 35-393.

35-395. Other legal obligations; immunity

A. WITH RESPECT TO ACTIONS TAKEN IN COMPLIANCE WITH THIS ARTICLE, INCLUDING ALL GOOD FAITH DETERMINATIONS REGARDING COMPANIES AS REQUIRED BY THIS ARTICLE, A PUBLIC FUND, ITS BOARD OF DIRECTORS AND INDIVIDUAL BOARD MEMBERS, AGENTS, ATTORNEYS, TRUSTEES, OFFICERS, EMPLOYEES, CUSTODIANS, FIDUCIARIES, RESEARCH FIRMS AND INVESTMENT MANAGERS UNDER CONTRACT WITH THE PUBLIC FUND ARE EXEMPT FROM ANY CONFLICTING STATUTORY OR COMMON LAW OBLIGATIONS, INCLUDING ANY SUCH OBLIGATIONS WITH RESPECT TO CHOICE OF ASSET MANAGERS, INVESTMENT FUNDS OR INVESTMENTS FOR THE PUBLIC FUND'S SECURITIES PORTFOLIOS.

B. WITH RESPECT TO ALL ACTIONS TAKEN IN GOOD FAITH COMPLIANCE WITH THIS ARTICLE, A PUBLIC FUND, ITS BOARD OF DIRECTORS AND INDIVIDUAL BOARD MEMBERS, AGENTS, ATTORNEYS, TRUSTEES, OFFICERS, EMPLOYEES, CUSTODIANS, FIDUCIARIES, RESEARCH FIRMS AND INVESTMENT MANAGERS UNDER CONTRACT WITH THE PUBLIC FUND ARE IMMUNE FROM ANY LIABILITY.

C. A PUBLIC FUND, ITS BOARD OF DIRECTORS AND INDIVIDUAL BOARD MEMBERS, AGENTS, ATTORNEYS, TRUSTEES, OFFICERS, EMPLOYEES, CUSTODIANS, FIDUCIARIES, RESEARCH FIRMS AND INVESTMENT MANAGERS UNDER CONTRACT WITH THE PUBLIC FUND ARE INDEMNIFIED FROM THE STATE GENERAL FUND AND HELD HARMLESS BY THIS STATE FROM ALL CLAIMS, DEMANDS, SUITS, ACTIONS, DAMAGES, JUDGMENTS, COSTS, CHARGES AND EXPENSES, INCLUDING COSTS AND ATTORNEY FEES, AND AGAINST ALL LIABILITY, LOSSES AND DAMAGES OF ANY NATURE THAT THE PUBLIC FUND, BOARD OF DIRECTORS AND INDIVIDUAL BOARD MEMBERS, AGENTS, ATTORNEYS, TRUSTEES, OFFICERS, EMPLOYEES,

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CUSTODIANS, FIDUCIARIES, RESEARCH FIRMS AND INVESTMENT MANAGERS UNDER CONTRACT WITH THE PUBLIC FUND MAY AT ANY TIME SUSTAIN BY REASON OF ANY DECISION TO RESTRICT, REDUCE OR ELIMINATE INVESTMENTS MADE IN GOOD FAITH COMPLIANCE WITH THIS ARTICLE.

35-396. Reinvestment in certain companies with scrutinized active business operations

NOTWITHSTANDING ANY OTHER LAW, THE PUBLIC FUND MAY CEASE DIVESTING FROM CERTAIN SCRUTINIZED COMPANIES PURSUANT TO SECTION 35-393, SUBSECTION A, PARAGRAPH 5 OR REINVEST IN CERTAIN SCRUTINIZED COMPANIES FROM WHICH IT DIVESTED PURSUANT TO SECTION 35-393, SUBSECTION A, PARAGRAPH 5 IF A PREPONDERANCE OF THE EVIDENCE SHOWS THAT THE VALUE OF THE ASSETS OF THE AFFECTED ACCOUNT OF THE PUBLIC FUND BECOMES EQUAL TO OR LESS THAN NINETY-NINE AND THREE-QUARTERS PER CENT OF THE HYPOTHETICAL VALUE OF THE ASSETS OF THE AFFECTED ACCOUNT OF THE PUBLIC FUND ASSUMING NO DIVESTMENT FOR ANY COMPANY HAD OCCURRED UNDER SECTION 35-393, SUBSECTION A, PARAGRAPH 5. FOR ANY CESSATION OF DIVESTMENT, REINVESTMENT OR SUBSEQUENT ONGOING INVESTMENT AUTHORIZED BY THIS SECTION, THE PUBLIC FUND SHALL PROVIDE A WRITTEN REPORT TO THE SENATE FINANCIAL INSTITUTIONS, INSURANCE AND RETIREMENT COMMITTEE AND THE HOUSE OF REPRESENTATIVES PUBLIC INSTITUTIONS AND RETIREMENT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, IN ADVANCE OF INITIAL REINVESTMENT, UPDATED ANNUALLY THEREAFTER AS APPLICABLE, SETTING FORTH THE REASONS AND JUSTIFICATION, SUPPORTED BY A PREPONDERANCE OF THE EVIDENCE, FOR ITS DECISIONS TO CEASE DIVESTMENT, REINVEST OR REMAIN INVESTED IN COMPANIES WITH



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24 SCRUTINIZED ACTIVE BUSINESS OPERATIONS. THIS SECTION HAS NO APPLICATION TO
25 REINVESTMENT IN COMPANIES ON THE GROUND THAT THEY HAVE CEASED TO HAVE
26 SCRUTINIZED ACTIVE BUSINESS OPERATIONS.

27 **35-397. Prohibition on government contracts**

28 A. THIS STATE AND POLITICAL SUBDIVISIONS OF THIS STATE SHALL ENSURE
29 THAT EACH CONTRACT ENTERED INTO BY THIS STATE OR A POLITICAL SUBDIVISION OF
30 THIS STATE FOR THE PROCUREMENT OF GOODS OR SERVICES INCLUDES A CLAUSE THAT
31 REQUIRES THE CONTRACTOR TO CERTIFY TO THE CONTRACTING OFFICER THAT THE
32 CONTRACTOR DOES NOT HAVE SCRUTINIZED BUSINESS OPERATIONS IN SUDAN.

33 B. IF THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE DETERMINES
34 THAT THE CONTRACTOR HAS SUBMITTED A FALSE CERTIFICATION UNDER SUBSECTION A OF
35 THIS SECTION, THE STATE OR POLITICAL SUBDIVISION MAY IMPOSE REMEDIES AS
36 PROVIDED BY LAW. ON THE DETERMINATION OF A FALSE CERTIFICATION UNDER
37 SUBSECTION A OF THIS SECTION, THIS STATE OR A POLITICAL SUBDIVISION OF THIS
38 STATE MAY TERMINATE A COVERED CONTRACT.

39 C. THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE SHALL NOTIFY
40 THE CENTRAL PROCUREMENT OFFICER OF THIS STATE OF ANY CONTRACTOR THAT HAS
41 SUBMITTED A FALSE CERTIFICATION UNDER SUBSECTION A OF THIS SECTION.

42 D. BASED ON INFORMATION REPORTED IN SECTION 35-394, SUBSECTION A, THE
43 CENTRAL PROCUREMENT OFFICER OF THIS STATE SHALL COMPILE AND MAKE AVAILABLE,
44 ON AN ANNUAL BASIS, A LIST OF PARTIES EXCLUDED FROM ARIZONA PROCUREMENT.

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1 E. BASED ON INFORMATION REPORTED IN SECTION 35-394, SUBSECTION A, THE
2 CENTRAL PROCUREMENT OFFICER OF THIS STATE MAY SUSPEND A CONTRACTOR FROM
3 ELIGIBILITY FOR STATE OR POLITICAL SUBDIVISION CONTRACTS ON THE NOTIFICATION
4 FROM THE STATE OR POLITICAL SUBDIVISION OF A FALSE CERTIFICATION UNDER
5 SUBSECTION A OF THIS SECTION. THE SUSPENSION PERIOD SHALL NOT EXCEED THREE
6 YEARS.

7 F. THIS SECTION DOES NOT LIMIT THE USE OF OTHER REMEDIES AVAILABLE TO
8 THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE OR ANY OTHER OFFICIAL OF
9 THIS STATE ON THE BASIS OF A FALSE CERTIFICATION UNDER SUBSECTION A OF THIS
10 SECTION.

11 G. THE GOVERNOR MAY WAIVE THE REQUIREMENT OF SUBSECTION A OF THIS
12 SECTION ON A CASE-BY-CASE BASIS IF THE GOVERNOR DETERMINES AND CERTIFIES IN
13 WRITING TO THE CENTRAL PROCUREMENT OFFICER OF THIS STATE THAT IT IS IN THE
14 STATE'S BEST INTEREST TO DO SO.

15 H. WITHIN ONE YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION, THE
16 CENTRAL PROCUREMENT OFFICER OF THIS STATE SHALL PROVIDE A WRITTEN REPORT TO
17 THE SENATE FINANCIAL INSTITUTIONS, INSURANCE AND RETIREMENT COMMITTEE AND THE
18 HOUSE OF REPRESENTATIVES PUBLIC INSTITUTIONS AND RETIREMENT COMMITTEE, OR
19 THEIR SUCCESSOR COMMITTEES, AND THE GOVERNOR ON THE ACTIONS TAKEN UNDER THIS
20 SECTION.

21 **Sec. 2. Delayed repeal; condition; notice**

22 A. Title 35, chapter 2, article 7, Arizona Revised Statutes, as added
23 by this act, is repealed on the earliest date that any of the following
24 occurs:

25 1. The United States Congress or the President of the United States
26 declares that the Darfur genocide has been halted.

27 2. The United States revokes all sanctions imposed against the
28 government of Sudan.

29 3. The United States Congress or the President of the United States
30 declares that the government of Sudan has honored its commitments to abide by



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the United Nations security council resolution 1769 (2007), cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance and allow for the safe and voluntary return of refugees and internally displaced persons.

4. The United States Congress or the President of the United States, through legislation or executive order, declares that divestment of the type provided for in this act interferes with conduct of United States foreign policy.

5. July 1, 2013.

B. The director of the Arizona state retirement system shall notify in writing the director of the Arizona Legislative Council of this date.

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Sec. 3. Legislative findings and declarations

The legislature finds and declares that:

1. On July 23, 2004, the United States Congress declared that "atrocities unfolding in Darfur, Sudan are genocide".

2. On September 9, 2004, Secretary of State Colin L. Powell told the United States senate foreign relations committee that "genocide has occurred and may still be occurring in Darfur" and "the government of Sudan and Janjaweed bear responsibility".

3. On September 21, 2004, addressing the United Nations General Assembly, President George W. Bush affirmed the Secretary of State's findings and stated, "at this hour, the world is witnessing terrible suffering and horrible crimes in the Darfur region of Sudan, crimes my government has concluded are genocide".

4. On September 26, 2006, the United States house of representatives stated that "an estimated 300,000 to 400,000 people have been killed by the government of Sudan and its Janjaweed allies since the [Darfur] crisis began in 2003, more than 2,000,000 people have been displaced from their homes, and more than 250,000 people from Darfur remain in refugee camps in Chad".

5. The Darfur crisis represents the first time the United States government has labeled ongoing atrocities a genocide, imposing sanctions against the government of Sudan since 1997.

6. Since 1993, the United States Secretary of State has determined that the government of Sudan has repeatedly provided support for acts of international terrorism thereby restricting United States assistance, defense exports and sales and financial and other transactions with the government of Sudan.

7. According to the former chairperson of the United States Securities and Exchange Commission, "the fact that a foreign company is doing material business with a country, government, or entity on [the United States Treasury Department's Office of Foreign Assets Control's] sanctions list is, in the SEC staff's view, substantially likely to be significant to a reasonable investor's decision about whether to invest in a company".

8. A 2006 United States house of representatives report states that "a company's association with sponsors of terrorism and human rights abuses, no matter how large or small, can have a materially adverse result on a public company's operations, financial condition, earnings, and stock prices, all of which can negatively affect the value of an investment".

9. On December 31, 2007, President George W. Bush signed the Sudan accountability and divestment act of 2007, effectively authorizing state and



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40 local governments to divest from companies that support the Sudanese
41 government at the expense of marginalized populations in Sudan.
42 10. The current Sudan divestment movement encompasses nearly one
43 hundred universities, cities, states and private pension plans, with
44 companies facing widespread divestment presenting further material risk to
45 remaining investors.

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1 11. It is the desire of the Legislature, with respect to investment
2 resources in its control and to the extent reasonable, with due consideration
3 for, among other things, return on investment, on behalf of itself and its
4 investment beneficiaries not to support businesses, governments or countries
5 that support the practice of genocide.
6 12. The divestment of public funds from certain companies is a measure
7 that should be employed sparingly and judiciously, and a congressional and
8 presidential declaration of genocide satisfies this high threshold.



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Senate Engrossed

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SENATE BILL 1489

AN ACT

REPEALING SECTIONS 35-319, 38-716 AND 38-848.02, ARIZONA REVISED STATUTES;
AMENDING TITLE 35, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7;
RELATING TO TERRORISM COUNTRY DIVESTMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona:

Section 1. **Repeal**

Sections 35-319, 38-716 and 38-848.02, Arizona Revised Statutes, are repealed.

Sec. 2. Title 35, chapter 2, Arizona Revised Statutes, is amended by adding article 7, to read:

ARTICLE 7. TERRORISM COUNTRY DIVESTMENTS

35-391. **State treasurer and retirement system divestments; policy notices**

A. THE STATE BOARD OF INVESTMENT, THE ARIZONA STATE RETIREMENT SYSTEM AND THE FUND MANAGER OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM SHALL EACH ADOPT A POLICY, AND SUBMIT A COPY OF THE POLICY TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, REGARDING THE COUNTRIES IDENTIFIED AS THOSE COUNTRIES CURRENTLY DESIGNATED BY THE UNITED STATES DEPARTMENT OF STATE AS STATE SPONSORS OF TERRORISM. THE POLICY SHALL INCLUDE:

1. THE PROCEDURE TO IDENTIFY UNITED STATES COMPANIES THAT ARE IN VIOLATION OF SECTION 6(j) OF THE EXPORT ADMINISTRATION ACT.

2. THE PROCESS FOR COMMUNICATING WITH THE COMPANIES AND APPROPRIATE FEDERAL OFFICIALS, INCLUDING THIS STATE'S CONGRESSIONAL DELEGATION, IN REGARD TO ITS FINDINGS PURSUANT TO THIS SECTION.

3. THE PROCESS FOR DIVESTMENT FROM THE COMPANIES THAT ARE IDENTIFIED PURSUANT TO PARAGRAPH 1.

B. THE STATE TREASURER, THE ARIZONA STATE RETIREMENT SYSTEM AND THE FUND MANAGER OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM SHALL DIVEST FROM THOSE COMPANIES, BASED ON PUBLIC INFORMATION, IDENTIFIED PURSUANT TO SUBSECTION A, PARAGRAPH 1.

C. THE STATE TREASURER, THE ARIZONA STATE RETIREMENT SYSTEM AND THE FUND MANAGER SHALL NOTIFY THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION AND EACH OTHER OF ANY DIVESTMENTS AND THE REASONS FOR THE DIVESTMENTS.

D. WITHIN FOURTEEN DAYS AFTER RECEIPT OF THE NOTICE PURSUANT TO SUBSECTION C, THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION SHALL SEND NOTICE TO THE COMPANY INDICATING THAT THIS STATE AND ITS POLITICAL SUBDIVISIONS ARE PROHIBITED FROM PURCHASING ANY PRODUCT OR SERVICE FROM THE



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37 COMPANY UNTIL THE COMPANY IS NO LONGER IDENTIFIED PURSUANT TO SUBSECTION A,
38 PARAGRAPH 1.

39 E. THE PROHIBITION IN SUBSECTION D DOES NOT APPLY TO ANY EXISTING
40 CONTRACT BUT DOES APPLY TO ANY RENEWAL OF A CONTRACT.

41 F. THIS SECTION APPLIES TO ALL AFFILIATED COMPANIES AND SUBSIDIARIES
42 OF THE COMPANY.

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1 Sec. 3. State board of investment and retirement systems;

2 divestment policy; submission

3 On or before January 31, 2009, the state board of investment, the
4 Arizona state retirement system and the fund manager of the public safety
5 personnel retirement system shall submit a copy of the policy adopted
6 pursuant to section 35-391, Arizona Revised Statutes, as added by this act,
7 to the president of the senate and the speaker of the house of
8 representatives.

9 Sec. 4. Appropriation; Arizona state retirement system;
10 exemption

11 A. The sum of \$60,000 and one-half FTE are appropriated from the
12 Arizona state retirement system administration account in fiscal year
13 2008-2009 to the Arizona state retirement system for the administrative
14 implementation of this act.

15 B. The appropriation made in subsection A of this section is exempt
16 from the provisions of section 35-190, Arizona Revised Statutes, relating to
17 lapsing of appropriations.

End of Contract RT09-002 Document